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# The National Life Insurance Company of the United States of America

83 EDITION

FRIDAY, MARCH 18, 1932



National Life Insurance Co. of the U. S. of A. MAR 18 1932  
A. M. Johnson, Chairman of the Board.

## 1932 FORMULAE -- TWO WINNERS

Training + Ability + Energy = A Winning Combination  
at any time - -

Life + Accident + Health = A Winning Combination

at any time—and especially in 1932 following the  
limiting of total disability coverage generally—

National Life of the U. S. of A. men hold the key to the winning combination because they are equipped with the Five Point Complete Protection Policy available in any combination best suited to the prospect's needs, and combining Life, Limited Payment, Term Expectancy or Endowment Plans, with Accident and Health, Waiver of Premium Disability, and Old Age Income provision.

Established 1868

### NATIONAL LIFE INSURANCE COMPANY of the UNITED STATES OF AMERICA

Robert D. Lay  
President

Walter E. Webb  
Executive Vice-President

29 South LaSalle Street, Chicago

*A Fine OLD Company for Ambitious YOUNG Men*



Photograph by Torkel Korling

GROWING with the GREAT MIDWEST

## City Transformed

This is one in a series of advertisements devoted to an exposition of those intangibles which make Chicago "a city with a personality."



The Illinois Life through these advertisements pays homage to Chicago. Being the oldest legal reserve life insurance company, now active, to be chartered by the State of Illinois, and having maintained "headquarters" in Chicago for thirty-nine years, the Illinois Life feels justified in this effort to offset some of the unfair publicity which Chicago has received by presenting a glimpse at the other side of the picture.



Raymond W. Stevens, President

THIS SILHOUETTE OF PROGRESS is forcefully expressive of that spirit which motivates Chicago. Tear down the old! Build anew! Yesterday's results are but stimulants to today's efforts. And tomorrow? Tomorrow a yet greater Chicago. \* Those who observe must respect this energy of a city intent upon improvement and betterment. A constantly changing skyline, ever more beautiful, is but one evidence of the civic urge which possesses the people of Chicago. \* The past hundred years have witnessed the metamorphosis of a straggling town into a glorious city. Chicago faces the future! And faces it with a vision crystal-clear.

**ILLINOIS LIFE INSURANCE CO.**

ILLINOIS LIFE BUILDING \* CHICAGO \* 1212 LAKE SHORE DRIVE

CHICAGO: A GOOD PLACE TO LIVE, A GOOD PLACE TO WORK

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-sixth year. No. 12. Friday, March 18, 1932. \$3.00 per year. 15 cents per copy. Entered as second-class matter, June 9, 1900, at postoffice at Chicago, Ill., under act of March 3, 1879.

# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Sixth Year No. 12

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MARCH 18, 1932

\$3.00 Per Year, 15 Cents a Copy

### A. L. C. to Oppose Revenue Measure

Committee Goes to Washington to Demonstrate Unfairness of Provision

### IS CHALLENGE TO THRIFT

Proposed Bill Would Double Life Companies' Income Tax—Prominent Officials Make Trip

WASHINGTON, D. C., March 17.—With a view of impressing on members of Congress and prominent government officials the unfairness of the provisions of the new federal revenue bill applying to life insurance companies prominent members of the American Life Convention are in Washington this week.

It has been estimated that the proposed bill if not amended would double the income tax that life companies are obliged to pay. The measure not only increases the tax rate but also makes a drastic reduction in the reserve deduction.

Life insurance takes the position that it should not be forced to carry an unfair part of the taxation burdens of the country, and that the proposed increases are a direct challenge to thrift.

The proposed revenue act was discussed at a meeting of the American Life Convention's tax committee in St. Louis last week and it was then decided that a delegation should be sent to Washington to properly present life insurance's views on the taxation measure.

#### Lowens Statutory Deduction

Briefly the pertinent sections of the bill applying to life insurance raise the general tax rate from 12 to 13 percent and at the same time lower the statutory deduction now enjoyed by life insurance companies on their income from interest, dividends and rentals from 4 percent to 3.5 percent of the mean of the reserve funds.

Further, the credit of \$3,000 for companies with less than \$25,000 of such investment income has had substituted for it a credit of but \$2,000 to apply to companies with less than \$10,000 of such investment income. These provisions are not retroactive and would not apply to income received in 1931.

It appears that the burden of the proposed tax increase would fall most heavily upon the insurance companies which have but a small proportion of their funds invested in tax-exempt securities.

#### Based on Facts

The estimate that the measure as it now stands would double the income tax burdens of life insurance companies is based on facts and figures obtained

(CONTINUED ON PAGE 21)

### Plan Beautiful Exhibit of Insurance at 1933 Fair

Plans are steadily taking shape for the participation of the entire insurance business in the Century of Progress exposition to be held in Chicago next year.

Elaborate detail plans have been drawn which provide for practically a separate building for insurance, or at least semi-detached from the Social Science building which will be erected soon.

#### Organizations' Conference

Representatives of various organizations, such as the National Board, National Bureau of Casualty & Surety Underwriters, Association of Life Insurance Presidents, American Institute of Marine Underwriters, Association of Casualty & Surety Executives, etc., met in New York to consider a method of participation. For the purpose insurance will be divided in five groups country-wide—fire, life, casualty, marine and surety. It was decided at the New York meeting that each group should name a committee.

The Life Presidents Association has named its committee, which consists of L. A. Lincoln, vice-president Metropolitan, chairman; J. B. Reynolds, president Kansas City Life; H. A. Behrens, president Continental Assurance, Chicago; E. E. Rhodes, vice-president Mutual Benefit; Major A. E. Tuck, assistant secretary Equitable of New York.

#### Others Consider Project

The public relations committee of the National Board is expected to meet some time this week, when the subject will be considered and a committee probably named. The matter will be taken up by the other organizations very soon.

All representatives at the meeting were enthusiastic over the project and went back to their organizations committed to the purpose of getting an expression of opinion from their principals, and particularly as to the matter of subscribing to the financing plan.

The New York meeting was presided over by C. W. Seabury, chairman of A Century of Progress insurance committee and vice-president of Marsh & McLennan. Other members are, P. B. Hosmer, president Chicago Board; Charles P. Whitney of Critchell, Miller, Whitney & Barbour, Chicago; John C. Harding, western manager Springfield Fire & Marine; George D. Webb, of Conkling, Price & Webb; Charles H. Burras, president Joyce & Co.; Mr. Behrens, Continental Casualty, and Wade Fetzner, president W. A. Alexander & Co.

#### Details of Proposal

The insurance section of the Social Science building, according to the proposal, will be 90 feet in diameter and hexagonal in form, one side of the hexagon being open and connecting by a long passageway with the main section of the Social Science building. Each of the other five sides will be devoted to an exhibit of one of the insurance groups. The building will have a dome about 70 feet high.

An important feature which has been suggested by Lorado Taft, famous sculptor, is to execute six symbolical groups carrying out the idea of protection. One will be heroic in size and will be placed in the center of the floor. Each of the other five more specifically will carry out the idea of one of the five types of insurance.

These five lesser groups will be placed at the front of the various exhibits. Each type of insurance will have a section of the hexagon covering about 700 square feet, 40 feet in width at the outer edge, 30 feet inside and some 20 feet deep.

Officials of the exposition in collaboration with the insurance committee made a study of exhibit possibilities for insurance and concluded that the exposition would not be complete without an insurance exhibit, and that great opportunity was offered for presentation of the idea to the approximately 50,000,000 visitors who are expected. "The whole effect will be beautiful and impressive," exposition officials state: "will be worthy of the importance and dignity of insurance, and will be long remembered by visitors to the exposition."

#### Methods of Presentation

It is planned to have the exhibits dynamic, moving and attention-arresting, and not static. Moving pictures may be utilized and the diorama or three dimensional method of exhibition. Models, displays using moving lights, some graph methods for making certain points, and similar ideas are under consideration for the actual exhibit.

In life insurance, exposition officials believe, there is a great opportunity to indicate the hazards surrounding human life, the value of life and need for insuring it, the work of insurance companies in increasing length of life, health and efficiency of the human race; the effect of insurance on character, success, thrift, etc.; the relation of life insurance to pension plans, dependency, size and stability of estates at death; trust estate service, creation and maintenance of credit, relation of insurance to education and philanthropy, social and economic effects of life insurance investments in railroads, public utilities, mortgages, etc.

#### Fire Insurance Possibilities

In regard to fire insurance, it is possible to have a series of exhibits on fire as an enemy, something as to the nature and causes of combustion and scientific principles of fire extinguishment, demonstration of first aid equipment, fire alarm systems, automatic sprinklers, etc., exhibits of various types of construction, roofing, etc., correct methods of fighting fires, development of ways and means to prevent fires, especially in homes; use of electrical household utensils, the economic waste of fire and a demonstration that much of it is preventable; necessity of adequate insurance to absorb the loss, effects of windstorms and tornadoes.

In casualty, there probably will be

(CONTINUED ON PAGE 21)

### Loan Pressure Is Eased Somewhat

General Improvement Is Now Seen by Investment Executive

### MARCH RECORD HOPEFUL

Betterment Is Occurring Too Early to Be Explained by Seasonal Factors

NEW YORK, March 17.—The financial side of life insurance, in common with the general financial situation, has shown a very encouraging trend since the middle of December, according to an important life insurance investment executive. This improvement is further strengthened by the general improvement in the policy loan situation since January, which is considerably earlier than the usual seasonal let-up in loans occurs.

Railroad security conditions are better for two reasons, he points out: (1) The roads can now get money from the Reconstruction Finance Corporation; and (2) the recent protection of equipment trust certificates by the Wabash and the Seaboard Air Line. The Wabash, which went into receivership Dec. 1, 1931, failed to pay interest or principal on issues due on that date and also on those due Jan. 1, Jan. 15 and Feb. 1, 1932. Receiver's certificates could not be sold on account of market conditions. Strongly recommended by the Interstate Commerce Commission, the Wabash obtained a loan from the Reconstruction Finance Corporation to cover these, and other obligations as they come due as well as bank obligations, totaling \$10,000,000.

#### Business Improvement Needed

"It is still realized," he said, "that railroads cannot come back by reason of the recent confirmation of the increase in grain rates, the decrease in wages and ability to secure loans from the Reconstruction Finance Corporation unless and until business itself shows an improvement which so far has been limited more to sentiment than to tangible results."

"If the depression is not to give way to improvement, the railroads would find it difficult to prevent financial troubles even with the support which they can now secure from the Reconstruction Finance Corporation. The latter is designed to cover a temporary financial situation. If it is necessary to go much further than the help contemplated by the Reconstruction Finance Corporation, the government might as well take over the railroads, a contingency which is already being discussed but which no one wants to see occur. However, it is an established fact that the more abnormal conditions become,

(CONTINUED ON PAGE 11)



## Federal Reserve and Bank Savings Life Consolidate

B. F. BUSHMAN IS PRESIDENT

New Company Title Is Federal Reserve With Head Office at Topeka

Announcement is made of the consolidation of the Federal Reserve Life of Kansas City, Kan., and the Bank Savings Life of Topeka under the title Federal Reserve Life, subject only to the approval of stockholders and of the Kansas department.

B. Frank Bushman, who has been president of the old Federal Reserve, will be president of the new Federal Reserve. E. H. Lupton, Jr., who has been president of the Bank Savings Life, will be vice-president of the new Federal Reserve. G. L. Grogan, who has been agency director of the Bank Savings, will be agency director of the new Federal Reserve, and F. M. Hayes, who has been vice-president and agency manager for the Federal Reserve, will be in charge of eastern agencies for the new Federal Reserve. E. C. Lupton, who has been secretary of the Bank Savings, will be assistant secretary of the new Federal Reserve.

Since assuming control of the Federal Reserve, Mr. Bushman has caused great improvement in the affairs of that company and is very largely responsible for its present standing.

### Combined Statement

The combined statement of the two companies as of Dec. 31, 1931, which gives a picture of the new Federal Reserve, shows total assets \$14,737,890, including first mortgage loans \$7,964,392; government and municipal bonds \$1,892,950; policy loans \$3,098,847; real estate \$679,560; cash \$238,708. Capital is \$237,500; contingent reserve \$300,000; surplus \$391,017; policy reserve \$12,938,663. Insurance in force of the two companies at that date amounted to \$98,773,002.

The home office of the Federal Reserve will be in Topeka, in the present office of the Bank Savings Life, while operating departments will be maintained in Kansas City, Kan.

### Division of Stock

Under the new set up, Mr. Bushman controls about 7,000 shares of new Federal Reserve personally, while the Fire Insurance Company of Chicago, which is controlled by Mr. Bushman, owns 14,000 shares of the new stock. The Lupton interests will have about 15,000 shares.

The capital of the new Federal Reserve will consist of 47,500 shares of \$5 par. The directorate will be increased to nine.

Considerable economies in operation are expected to result from the consolidation. Little territorial conflict is anticipated inasmuch as most of the Bank Savings business comes from Kansas, Oklahoma, Texas and Missouri, while the Federal Reserve business has come from Illinois, Indiana and Ohio.

### Many Companies Reinsured

The Federal Reserve was started in 1919. In 1926 the business of the Union National Life of Kansas City was reinsured and later that year the Providers Life of East St. Louis, Ill., was taken over. In 1928, the United States Reserve of Kansas City, Mo., and the Farmers National Life were reinsured.

The Bank Savings Life started in 1908 as the Bank Savings National Life. It assumed its present title in 1913. In 1921, it reinsured the Bankers Life of Olathe, Kan.

Officials of both companies are constructive life insurance men and the consolidated company should have even greater momentum than the constituent companies.

## Wisconsin Bans Accepting Deposits, Paying Interest

ATTORNEY GENERAL'S RULING

Must Be Chartered as Bank Even Though Deposits Used to Pay Premiums

Acceptance of deposits and payment of interest thereon by an insurance company constitutes a violation of the Wisconsin banking laws, Attorney General Reynolds of that state has ruled in an opinion to Commissioner Mortensen.

### Accepts Deposits on Premiums

An agreement submitted by a life company to the Wisconsin department for approval brought forth the issue. Under the agreement the company undertakes to accept deposits of not less than \$10 at any one time on account of premiums or policy loan interest thereafter to become due and will annually credit such fund with interest at the rate the company may each year declare on such funds, the rate not to be less than 3½ percent. There was a proviso that no deposits would be accepted which would increase the fund to an amount greater than the present value of the unpaid premium on such policies as remain in force.

### Must Have Bank Charter

The attorney general ruled that an insurance company accepting deposits under such an agreement involved carries on a banking business under section 224.02, which, under section 224.03 is unlawful when done without obtaining a charter as a bank. The business under the agreement would be the accepting of money on deposit as a regular business. The deposits are accepted by the company, interest is paid and the agreement may be terminated at any time by either party. The fact that premiums may be paid out of the deposit funds is immaterial.

## Judge Dawson Still Holds to His Position on Bench

LOUISVILLE, March 17.—It is stated here that at the meeting of the directors of the Missouri State Life in St. Louis Friday the question of Judge Dawson of this city assuming the presidency will be discussed. So far he has not resigned from the federal bench, nor announced his plans, stating from time to time for a month past that he expects to issue a statement shortly.

On March 14, the spring term of federal court opened with a heavy docket, including quite a large number of liquor cases, the majority of which can be disposed of on short notice, but also including some cases wherein the judge hearing the cases would most likely render the decision, although a successor could probably handle this work just as well from the stenographic record.

## Buckner Comments on Annual Exhibit of New York Life

TELLS ABOUT INVESTMENTS

Declares Life Companies Have Added Greatly to Their Prestige in Last Two Years

NEW YORK, March 17.—That life companies in general have not been surpassed in the field of safe investing and that their record of the past two years has added greatly to their prestige, was stated by T. A. Buckner, president New York Life, in connection with his report of the company's business to policyholders.

Despite the unprecedented economic stress in 1931, Mr. Buckner declared, the past year was, circumstances considered, a very satisfactory one for the New York Life. During the year, assets were increased by more than \$101,000,000 while the gain in total income was \$21,944,989.

Referring to the wide publicity given to the railroad situation, Mr. Buckner pointed out that railroads were indispensable to the economic life of the nation and that relief through freight rate increases and wage reductions estimated at about \$300,000,000 for the coming year, has already been obtained. The amount of the company's railroad bonds in default of interest, he said, is so small that it is of no material consequence.

### Taxes Are Discussed

Discussing the subject of taxes imposed on life insurance savings, Mr. Buckner said that the company felt that these were excessive. The reserve for taxes, he declared, is equal to more than 10 percent of the policyholders' 1932 dividends and would be sufficient to pay a year's premiums on \$230,000,000 of new insurance.

He said: "The New York Life does not speculate. It purchases selected bonds with the expectation of holding them until they mature. They are bought for the interest they yield, and so long as interest is paid and the principal is paid at maturity, they have accomplished exactly what was desired. Meanwhile, market fluctuations, up or down, have produced neither profit nor loss."

"The New York Life's investments are well diversified as to types of security; but diversification, one of the first principles of sound investment, is further extended by having a great many different investments of each type. For example, the company holds more than 1,200 different securities and its mortgage loans are secured by more than 31,000 separate properties. As a policyholder in the company you obtain a degree of safety through diversification impossible for an individual investor."

"As a policyholder in the New York Life you are a member of a mutual organization composed of approximately 2,000,000 persons insured for a total of

## Value of Insurance As Estate Backlog Is Demonstrated

The value of life insurance as an investment was shown in a striking way when the inventory of the estate of the late Frank H. Scott, Chicago attorney, was filed in the probate court. Although his estate was supposed to be in excess of \$1,000,000 at the time of his death, the inventory showed that if it was necessary to liquidate the estate at the present market prices, only a little more than \$150,000 could be realized. Most of Mr. Scott's investments were in bonds, practically all of them listed on the New York or Chicago exchanges. These bonds have a par value of \$119,000 but would bring only \$84,207, or about 71 cents on the dollar at present prices.

## Swedish Match King Had Over \$2,000,000 Insurance

Ivan Kreuger, Swedish match king and one of the outstandingly wealthy men of the world, whose interests were world wide, including many match factories in this country, and who loaned millions to various nations, including \$100,000,000 to France, owned between \$2,000,000 and \$3,000,000 life insurance. He committed suicide in Paris.

It has not been learned whether George Eastman, kodak millionaire, carried any. His suicide at the age of 77 a few days ago because, as he wrote, his "work is finished," added another to the long string of self-destructions which have troubled the companies. One middle western company's 1931 experience was 13.7 percent of its paid death claims due to suicide. A large eastern company shows a figure of 20 percent.

It is not known how Mr. Kreuger's insurance was distributed. Probably some is in American companies, although the bulk undoubtedly is in foreign companies.

over \$7,650,000,000. Your life insurance, probably the best property you own—stable in value in bad as well as good times. The stock market may go down but your policy values will not. They do not vary except to increase as you pay your premiums. Unless you have borrowed on them, your policies are worth more today than they were a year ago.

### Hold Fast to Policies

"Hold fast to them. Do not allow them to lapse. Do not borrow upon them for any purpose except as a last resort in some extreme emergency. A policy loan is a mortgage upon your own safety in old age and on the security of your family in event of your premature death. Hold to your life insurance even if some sacrifice is necessary and it will surely reward you for your foresight, patience and thrift."

## FIGURES FROM DECEMBER 31, 1931, STATEMENTS LIFE COMPANIES

	Assets	Capital	Surplus	1931	Inns. in Force	Gain in Ins.	Prem. Income	Total Income	Benefits Paid	Total Disburse.
	Total			New Bus.	Dec. 31, 1931	in Force	1931	1931	1931	1931
Afro-American, Fla.	741,696	150,000	134,144	9,564,947	11,537,114	720,667	728,114	815,265	337,002	741,644
Continental Life, D. C.	2,673,919	300,000	25,003	34,759,323	140,794,375	33,162,945	1,704,161	1,792,341	555,352	1,689,794
Crown Life, Canada	16,654,078	229,697	334,293	26,681,189	136,684,208	2,347,101	3,875,757	5,037,026	2,049,991	3,657,996
Equity Life, Neb.	742,256	115,000	42,892	1,142,475	5,978,694	—3,369,803	192,354	231,788	55,979	177,697
Natl. Old Line, Kan.	244,986	100,000	50,000	1,276,700	3,706,936	10,116	107,984	137,948	9,305	92,951
National Prog., Neb.	30,307	.....	16,089	277,421	529,299	85,194	11,253	12,970	570	2,171,154
Peoples Life, D. C.	3,743,654	100,000	281,057	51,845,213	55,648,981	—4,635,919	3,432,489	3,672,060	1,384,463	602,912
St. Louis Mutual	3,252,501	100,000	258,868	1,501,707	12,321,423	—74,813	378,407	572,767	412,642	2,149,648
Security Life, Ill.	10,456,993	250,000	457,330	19,060,545	62,270,054	71,432,920*	2,100,269	2,989,125	1,531,334	2,065,542
State Life of Ill.	389,356	137,500	25,906	5,154,750	8,080,700	2,406,548	191,690	311,047	25,701	819,389
Washington National, Ill.	2,420,730	600,000	500,000	27,060,686	27,302,042	3,330,656	796,006	981,040	201,334	4,125,661
Yeoman Mutual Life, Ia.	23,099,751	.....	908,440	11,671,913	146,585,379	—7,788,367	5,069,831	6,319,999	2,878,326	.....

\*Ord. \$2,102,671, Ind. \$32,657,152.

†Ord. \$6,245,999, Ind. \$34,549,276.

‡Ord. \$648,226, Ind. \$2,614,719.

\*Decrease due to sale of Reinsurance Life to Lincoln National.



## Start Bonus Plan for Conservation

Northwestern National Announces Graded System at Agency Convention

EXPLAINED BY PETERSON

Leaders at St. Petersburg Hear of New Disability Program—Arnold Awards Prizes

ST. PETERSBURG, FLA., March 17.—That 1932 is to be a conservation year for the Northwestern National Life was evident from the fact that it was the headline subject at the agency convention here. A new method of stimulating conservation was announced by Carl A. Peterson, supervisor of agencies.

An agent who produces a reduction of 20 points or more in loss ratio in 1932 under 1931 and whose resultant lapse ratio is 10 percent or less will get a \$4 bonus for every \$1,000 of 1931 business that renews at the end of the first policy year in 1932; \$3.25 if his 1932 lapse ratio is between 10 percent and 15 percent; \$2.50 if his lapse ratio is between 15 and 20 percent, and \$2 from 20 to 25 percent.

### 15-20 Point Reduction

An agent who produces a reduction in lapse ratio of between 15 and 20 points and whose resultant loss ratio is 10 percent or less, will get \$3.25 per \$1,000; if his lapse ratio is between 10 percent and 15 percent, he will get \$2.50, between 15 and 20 percent, \$2; between 20 and 25 percent, \$1.50.

An agent who produces a reduction in lapse ratio of between 10 and 15 percent, will get \$2.50 per \$1,000 if his ratio is 10 percent or less; \$2 if his ratio is between 10 and 15 percent; \$1.50, from 15 to 20 percent, and \$1 from 20 to 25 percent. Agents who produce a reduction in lapse ratio of between five and ten points, will get \$2 per \$1,000 if the resultant lapse ratio is 10 percent or less; \$1.50 from 10 to 15 percent; \$1, from 15 to 20 percent and 50 cents from 20 to 25 percent.

J. S. Hale, actuary, announced the

(CONTINUED ON LAST PAGE)

## Form Strong Organization in San Francisco, Oakland

ZEUS AND COX CO-CHAIRMEN

Notable Progress Made by Coast Cities in Arrangements for Life Underwriters Convention

SAN FRANCISCO, March 17.—A strong, well-rounded organization has been created by the San Francisco and East Bay Life Underwriters Association to handle details for the convention of the National Association of Life Underwriters here next August. It is known as the San Francisco-East Bay 1932 Convention Committee. R. B. Hull, managing director National association, has approved its program and the work is going steadily forward.

### In Business 25 Years

Joint chairmen are O. L. Zeus, assistant manager of the Travelers in San Francisco, and T. A. Cox, Northwestern Mutual Life in Oakland. Mr. Zeus celebrates his 25th anniversary with the Travelers this year. He started with the San Francisco office in 1907 in the cashier's department. In 1909 he became a special agent and developed as a personal producer. He was later sent to the home office and was subsequently named assistant superintendent of agencies in charge of the Rocky Mountain and Pacific Coast. In 1930 he returned to San Francisco as assistant manager. He is first vice-president of the San Francisco association.

### Career of Mr. Cox

Mr. Cox started at the home office of the Northwestern Mutual in 1919. Nearly five years ago he came to Oakland. He is a large personal producer and will be a prominent member of the million dollar round table next August. In 1931 he wrote \$1,766,000 and in July made a record by producing more than \$400,000. Mr. Cox is president of the East Bay association.

### Shapiro Big Factor

Ben F. Edwards, who is executive secretary for the joint committee, joined the old Shapiro agency of the Equitable Life of New York in Oakland in 1924. He has been granted a six months leave of absence from the Equitable's Oakland agency. He is secretary and a charter member of the East Bay association.

Ben F. Shapiro, president of the San Francisco association, is a big factor in

(CONTINUED ON LAST PAGE)

## Income Indemnity Expands in Income Disability Field

KLENK NOW GENERAL AGENT

Named for Greater New York by Company Offering Contract to Replace Disability Clause

NEW YORK, March 17.—In line with its new program of aggressive development of the income disability field, the Income Indemnity of Boston, formerly the Brotherhood Accident, has appointed W. C. Klenk general agent for Greater New York.

The Income Indemnity, which formerly wrote business only through its own full-time agents, is now offering to brokers and life agents generally its non-cancellable accident and health policy, particularly as a substitute for disability contracts which many life companies have withdrawn or restricted in the last year. The company has a premium volume of about half a million a year, approximately half of which is in New York State.

### Provisions of Policy

The contract is similar to that which the Massachusetts Protective sells to Masons, the principal difference being that there is no accidental death benefit in the Income Indemnity's policy. The non-cancellable contract may be had with coverage from the first day or with a 30-day waiting period. It may also be written with an income benefit period of 65 weeks or 104 weeks. The life time indemnity form is not written.

Rates vary with occupational classification. Other features are: renewable to age 70, incontestable after two years, non-house-confining, can be purchased up to age 56. Rates for a given classification are the same from 21 to 50. At latter age both new or renewal premiums are increased a third. The weekly indemnity for sickness is reduced 50 percent at age 60 but the accident indemnity remains the same.

### Illustration of Rates

The rate for a Class I risk at any age from 21 through 49 would be \$140 a year for \$50 a week for a maximum of 104 weeks, with indemnity from the first day. With a one-month waiting period the rate would be \$116 a year.

For a 65-week indemnity period the rate would be \$120 for coverage from the first day, or \$96 with a one-month elimination period. A maximum indemnity of \$100 a week may be purchased

(CONTINUED ON LAST PAGE)

## Heart Cases Offer Disability Problem

Many Victims of Disease Not Totally Disabled, Better Off at Work

SPECIALIST GIVES VIEWS

Dr. J. G. Carr Reviews Subject from Claim Standpoint in Address Before Chicago Group

The difficulties encountered in dealing with heart cases from the disability standpoint were reviewed at the March meeting of the Chicago Claim Association by Dr. James G. Carr, prominent Chicago heart specialist, who presented an extremely technical subject in a manner entirely comprehensible to the layman. Heart disease from the underwriting standpoint has often been discussed, but there have been very few presentations as to how it affects disability claims.

### Hard to Check Statements

Dr. Carr stated at the outset that the greatest trouble is found in the fact that a private patient will usually give an accurate statement of his condition and one on which the physician can rely, while if he wants money, he usually begins by telling what is not true. In most cases the disability cannot be proved by any visible sign. If it could be, the claimant probably would not be brought in for examination. The only way in which the examiner can reach a conclusion is by relating the signs he may find, through physical examination and by the use of the electrocardiograph, to the claimant's story. If they check up, more reliance can be given to the statements made.

As a result of the examination of a large number of these cases, Dr. Carr said that after talking with a patient for a while, he usually has a pretty definite feeling as to whether the story was straight and by following his "hunch" in cases of this kind has often been able to obtain more definite facts than he would otherwise.

Usually these cases are very definitely uninsurable, but when they have been

(CONTINUED ON PAGE 11)

## SAN FRANCISCO-EAST BAY CONVENTION GROUP BUSY



O. L. ZEUS



T. A. COX



BEN F. EDWARDS



BEN F. SHAPIRO

Total Disburse  
1931  
\$  
741,644  
1,689,794  
3,657,996  
177,839  
82,561  
12,568  
3,171,154  
602,912  
3,149,848  
205,542  
819,389  
4,125,661

## Measure of Damage in Case of Wrongful Cancellation Given

At the March dinner of the Chicago Life Insurance Lawyers Club, Attorney A. W. Fulton, 32 West Randolph street, Chicago, general counsel of the Globe Life of his city, presented a paper on "Measure of Damages for Wrongful Cancellation or Repudiation of a Life Insurance Contract." He stated that the decisions on this question are in a state of hopeless conflict. All the text books recognize, he stated, that there is a conflict in the rules for measuring damages.

Mr. Fulton said it is possible to classify the different methods of measuring damages under four distinct groups:

1. The return of the premiums or assessments paid together with interest thereon (interest sometimes not being mentioned) is held to be a correct measure of damages without any deduction for the cost of carrying the risk.

### Another Method Followed

2. The difference between the amount paid in by the policyholder in premiums or assessments and the cost of carrying the risk; and in some cases the deduction of the cash surrender value.

3. The difference between return of premium or assessments paid and the amount which another company of equal standing would charge to issue a new policy on the same life, considering the difference in rates based upon his age at the time of the breach, and calculated upon the insured's expectancy of life. Where the insured is no longer reinsurable this fact may be shown for the purpose of affecting the expectancy.

4. If the insured is no longer reinsurable, the measure of damages is estimated by finding the total amount of premiums or assessments to be paid

during the remainder of the insured's expectancy, and deducting the amount from the face of the policy.

The speaker directed attention to the conflict in decisions of a few states, but he said these are only typical of the irreconcilable condition of the decisions in most of the states.

He cited the case of *Speer vs. Phoenix Mutual*, 36 Hun.-N. Y., 322 as the fairest method of estimating damages where the policyholder is in unimpaired health and therefore insurable. This case has had much influence in shaping the opinions of courts in declaring a measure of damages that can be supported both by reason and equity. The court said in this case: "The measure of damages was the difference between the present value of the premiums he would have been compelled to pay during the life of the insured under the policy issued by the defendant and the present value of the premium which he would be compelled to pay under a policy which could then be obtained from another responsible company."

### Modern Trend Shown

Mr. Fulton said the tendency of the courts appears to be at the present time away from the old rule that the correct measure of damages is the return of the premiums paid. Recent decisions endeavor to set up a more equitable rule for measuring damages.

Mr. Fulton cited two cases of the modern trend, being *Garland vs. Jefferson Standard*, 179 N. C. 67; 101 S.E. 616, and *American Insurance Union vs. Woodard*, 118 Okla., 243; 247 Pac. 401. In the latter case the court said:

"The measure of damages for the wrongful breach of a contract of insur-

ance issued by a fraternal insurance company to one of its members, is the present value of the policy, if the member at the time of the breach of the contract is no longer an insurable risk.

"The present value of the policy is determined by ascertaining the total amount of premiums which would be required to carry the policy during the life expectancy of the assured, from the time of the breach of the contract, and deducting such sum from the face of the policy. A sum of money equal to the interest on the remainder of the policy for the life expectancy of the assured should also be deducted from the face of the policy. The remainder from the face of the policy after the two deductions will constitute the present value of the policy, provided, however, a sum of money equal to the interest on the total premiums for the life expectancy of the assured should be deducted from the total amount of the premiums as a credit in favor of the assured."

"The life expectancy of the assured from the time of the breach of a contract of insurance is a question of fact for the jury. The question is to be determined from competent life expectancy tables, and from the physical condition of the assured at the time of the breach of the contract, if the latter was suffering from a bodily affliction which might prove fatal or shorten the expectancy of the assured."

## Why Cardiogram Demands Are Occasionally Delayed

NEW YORK, March 17.—A delayed demand for an electrocardiogram on a jumbo risk, coming in perhaps three or four weeks after the original application and examination have been turned in, frequently seems like a needless form of annoyance to the general agent who feels that the applicant is all too liable to balk at any additional hurdles.

Sometimes the delayed request is

made necessary by information in the medical examination or in the inspection which indicates that a cardiogram is advisable, but often the demand is due to the applicant's applying for additional insurance with another office a short time later, either with or without the intention of deceiving the original general agent as to the full amount contemplated.

### Inter-Company Agreement

The inter-company agreement specifies that where a man is applying for \$100,000 or more of insurance, whether to one company or several, which will bring his total coverage to \$300,000 or more, an electrocardiogram must be submitted. Thus, if an applicant already has \$200,000 and applies for \$50,000, no cardiogram would ordinarily be necessary. But, if a week after applying for the \$50,000, he goes to another office and applies for another \$50,000, the first company as well as the second would demand a cardiogram.

In addition to the usual conditions for requesting electrocardiographic tracings, companies are quick to demand them if there is an indication that the applicant is trying to evade an electrocardiogram. Obviously a home office underwriter would not o.k. an application for \$99,000 without a cardiogram when making it \$100,000 would have made a demand for a tracing automatic.

## Will Doubtless Appeal Case

Counsel for the Inter-Southern Life probably will appeal to the United States courts to compel the St. Louis circuit court to transfer to the federal tribunals the suit filed by H. H. Sims, a minority stockholder of the Missouri State Life, which seeks to compel the Kentucky company to repurchase securities with a face value of \$2,040,000 now held by the Missouri State Life. Circuit Judge Norton denied a petition of the Inter-Southern asking for the removal of the suit to the federal court.

## FINANCIAL CONDITION OF OCCIDENTAL LIFE INSURANCE COMPANY LOS ANGELES, CALIFORNIA

JANUARY 1, 1932

### ADMITTED ASSETS

Mortgage Loans on Real Estate, first liens.....	\$ 5,633,699.71
Loans to Policyholders, upon Security of Company's Policies .....	5,740,193.00
Government, Municipal and Corporation Bonds....	6,312,276.90
Book Value of Real Estate.....	4,180,812.75
Cash in Office and Banks.....	339,611.81
Corporate Stocks .....	554,074.47
Loans Secured by pledge of Bonds, Stocks or other Collateral .....	42,891.70
Net Life Premiums Deferred and in Course of Collection .....	831,720.85
Interest Due and Accrued .....	472,099.33
Other Admitted Assets .....	20,420.12

Total Admitted Assets .....\$24,127,800.64

### LIABILITIES

Reserves on Life Policies required by law .....	\$21,213,758.13
Reserves on Accident Policies required by law.....	54,818.04
Life Premiums and Interest Paid in Advance .....	315,861.96
Reserved for Federal, State and other Taxes hereafter payable .....	113,960.36
All other Liabilities.....	78,912.76
Contingency Reserve for Investment Fluctuations .....	530,070.02
<b>TOTAL LIABILITIES.....</b>	<b>\$22,307,381.27</b>
Capital Stock (fully paid).....	1,000,000.00
Surplus Assigned .....	692,819.09
Surplus Unassigned .....	127,600.28
Surplus as regards Policyholders..	1,820,419.37

\$24,127,800.64

## TWENTY YEARS' PROGRESS

### IN FIVE YEAR PERIODS

End of Each Fifth Year	Admitted Assets	Premium Income Life Dept.	Premium Income Accident Dept.	Total Income Premiums and Investment	Life Insurance for Year	Life Insurance in Force
1911.....	\$ 631,482.89	\$ 231,584.71	\$166,342.59	\$ 431,922.67	\$ 2,427,761.29	\$ 6,495,776.70
1916.....	1,351,896.99	399,196.34	214,183.79	689,472.41	4,381,206.19	13,525,807.64
1921.....	3,695,192.97	1,231,935.00	264,663.09	1,696,203.89	9,939,786.16	39,510,770.28
1926.....	13,585,653.44	3,024,893.76	254,632.27	4,285,558.82	16,646,914.37	102,776,728.64
1931.....	24,127,800.64	4,621,714.20	323,713.82	6,554,195.22	30,683,373.00	156,785,021.44



## Giving Credit for Annuities Problem

Methods of Translating Annuity Into Insurance Volume Differ

### SOME PRACTICES CITED

Few Companies Give No Volume Credit for Single Premium or Annual Premium Deferred Forms

Because of the great increase in the sale of annuities, the various methods of awarding volume and premium credit for annuity production in connection with honor rolls, clubs, etc., is interesting to agents. The question is particularly important in those companies which award money or other bonuses as well as kudos to club members. The question of commissions is also more important today than when annuity sales were rare.

If a company's honor roll, clubs and other distinctions are based on premiums, credit for annuities may be easily arranged but if volume is the only test or if the combination of volume and premiums is taken into consideration in awarding honors, some artificial method of reducing annuities to terms of insurance volume is often used. There is very little uniformity among companies as to a formula for reducing annuities to insurance for credit purposes, although two or three general principles are followed.

#### Various Methods Cited

In order to suggest the various methods used in giving credit and an idea of the prevailing commissions, THE NATIONAL UNDERWRITER questioned representatives of a number of the leading companies, and the answers are given without identifying the companies.

One of the large companies gives the agent life insurance credit to the amount of the lump sum paid under a single premium annuity and premium credit to the extent of 10 percent of the lump sum. That is, a single premium annuity calling for \$100,000 lump sum payment would be reduced for credit purposes to \$100,000 life insurance by volume and \$10,000 premium.

The average life insurance premium of this company is \$32. Accordingly under the annual premium deferred annuity contracts, the agent gets credit for \$1,000 life insurance volume for each \$32 of annual annuity premiums. He gets premium credit for the full amount of the first annual annuity payment for club and bonus purposes.

#### \$10 Unit System

Another large company, whose various honor rolls are based exclusively on volume, gives \$1,000 life insurance credit for each \$10 unit of monthly payments under its retirement income plan, which is a deferred annual premium annuity. That company gives no insurance volume credit for single premium annuities. It pays 3 percent commissions for single premium annuities and if its retirement income contract is sold on the single premium basis, 3 percent commission is paid. If the retirement income contract is sold on the annual premium basis, a commission of 20 percent on the first year's premium and 4 percent renewal commissions are paid.

A third company gives \$1,000 of life insurance credit for each \$10 of monthly annuity income under any form of annuity, whether it be immediate, deferred,

(CONTINUED ON NEXT PAGE)

## Sixty-Ninth Annual Statement



## Summary of Directors' Report for 1931

**Paid to Policyholders and Their Beneficiaries, \$87,743,766.56**

Or \$1,687,380.00 average per week (Including dividends totaling \$19,585,230.38 which represented the regular general scale employed for policyholders' annual reduction of cost.)

**New Insurance Paid-For, \$624,132,060.00**

Equaling 94% of the total paid-for in 1930

**Insurance in Force, \$3,612,880,300.00.** An increase of 2 1/2% over 1930 aggregate.

### FINANCIAL CONDITION, DECEMBER 31, 1931

Bonds and stocks owned .....	\$180,490,552.00	Policy Reserve.....	\$522,220,800.00
(Insurance Department standard of market valuation.)		Reserve for Dividends to policyholders (payable in 1932) ..	20,692,929.83
Stocks owned are valued at \$25,340,654.00, of which all but \$3,773,675.00 are preferred or guaranteed.		Death and Endowment Claims in settlement	4,259,982.82
Real Estate Mortgages held .....	297,366,058.16	Deposits and other items awaiting order or not yet due.....	19,899,385.11
Loans on Company's policies .....	79,310,640.58	Prepaid premiums, interest and sundry items including reserve for taxes.....	5,379,219.40
Cash in banks and office, Real Estate, Interest and Rents due and accrued....	49,045,686.36	Special Reserve for Asset Fluctuation and Amortization..	5,000,000.00
Other admitted assets.	15,065,195.99	General Safety Fund.	43,825,815.93
<b>Total Assets.....</b>	<b>\$621,278,133.09</b>	<b>Total Liabilities....</b>	<b>\$621,278,133.09</b>

**Increase of Assets during 1931, \$37,156,319.68**

**WALTON L. CROCKER**  
President

**Over 370 offices in 37 states and jurisdictions are available for the life insurance service offered by this Company**

# New York Life's Radio Programs

"Great Personalities" by Frazier Hunt

March 22:

A story about John Nance Garner, Congressman and Speaker of the House; a Texas boy who rose from humble surroundings to the second highest political office in the land.

The agents of all companies are invited to tune in on our programs every Tuesday evening on any of the following stations:

9:30 Eastern Time	New York	(WJZ)
"	Boston	(WBZ)
"	Springfield	(WBZA)
"	Baltimore	(WBAL)
"	Richmond	(WRVA)
"	Jacksonville	(WJAX)
"	Rochester	(WHAM)
"	Cleveland	(WGAR)
"	Pittsburg	(KDKA)
"	Detroit	(WJR)
"	Cincinnati	(WLW)
8:30 Central Time	Chicago	(WENR)
"	St. Louis	(KWK)
"	Kansas City	(WREN)
"	Council Bluffs, Ia.	(KOIL)



HOME OFFICE BUILDING

## NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE  
NEW YORK, N. Y.

single premium or any other variety. It pays 2½ percent commission on single premium annuities and 20 percent on deferred annual premium annuities with 3 percent renewals.

Still another company, whose club and honor rolls are based on insurance volume exclusive of term, gives no volume credit for any annuity. It pays 3 percent commission on straight single premium annuity and 2 percent on single premium refund annuities. It pays 25 percent commission on deferred annual premium annuities.

Another of the largest companies, which is not, however, aggressively seeking annuity business, gives no volume credit for single premium or deferred annuities. The club requirements of this company are based on a combination of premium and volume. The agent under a deferred annuity gets full premium credit for club purposes and gets one-tenth premium credit on a single premium annuity. This company gives full volume credit for single premium life policies, however.

Another company, whose average life insurance premium is \$25, gives \$1,000 life insurance credit for each \$25 annual premium under a deferred annuity. Under a single premium annuity, life insurance volume is considered to be the same as the lump sum payment, and premium credit to the extent of 10 percent of the lump sum is given.

This company pays 2½ percent commission on single premium annuities and 25 percent with 9 three percent renewals up to age 50 for deferred annual premium annuity; 20 percent with 9 three percent renewals from age 50-60 and 10 percent with 5 three percent renewals above age 60.

### \$30 Basis Is Used

Yet another company, whose average life insurance premium is \$30, gives volume credit to the extent of \$1,000 for every \$30 in deferred annuity premiums. This company is very liberal in volume credit for single premium annuities, giving volume credit for twice the amount of the lump sum.

This same company pays 4 percent commission on single premium annuities. On deferred annuities, it pays 25 percent commission up to age 34; 20 percent with 3 percent renewals from age 35-44; 15 percent with 3 percent renewals from ages 44-54 and 12½ percent with 3 percent renewals for ages beyond 55.

One of the largest companies does not attempt to give premium or volume credit translated in terms of life insurance for single premium annuities, but the individual and the agency is credited with the annuity sale under a separate heading.

The agency gets no volume credit for

deferred annuities but the producer is credited with \$1,000 life insurance volume for each unit of \$10 monthly payment.

This company pays 2½ percent commission for single premium life and refund annuities. Deferred annuities, for commission purposes, are reduced to the endowment scale. For instance, a man buying a deferred annuity at age 55 which begins paying at age 60 is deemed to be buying a 5-year endowment and commissions that would be paid on a 5-year endowment are given. The commissions thus run from 10 to 50 percent for deferred annuities.

Still another company gives no volume credit either for single premium or deferred annuities, but the emphasis in this company is on premium. One-eighth of the lump sum under a single premium annuity counts toward life premium volume and the agent under a deferred annuity gets credit for the full annual premium. Commissions of this company on its various single premium forms, including single premium life, single premium endowment and single premium annuity ranges from 2 to 6 percent.

The practice of another company is to give \$1,000 volume credit for every \$10 of unit of annual premium deferred annuity. Twenty-five percent commission is paid on this form with no renewal commission. This company does not sell a single premium annuity.

### Three Companies' Practices

Two of the prominent eastern companies permit agents no credit in volume of life production either for a straight life annuity or deferred annuity. Another in New England grants no credit for the first form, but on deferred annuity gives a credit based on the premium of \$1,000 life production per \$30 unit of premium. One company cited pays commission of 3 percent on straight life annuity and the other listed above pays 4 percent on straight life annuity, 3 percent on refund annuity and 15 to 20 percent on deferred annuity, depending on age at issue and maturity age. This company furnishes annuitants a book of drafts for payments two or three years in advance to facilitate getting the money, even in foreign countries.

### Mathus on Western Trip

K. H. Mathus, editor of publications of the Connecticut Mutual, is on an extended trip, inaugurating the new prospect service in agencies in the mid-west. The cities on his itinerary are: Syracuse, Buffalo, Rochester, Grand Rapids, St. Paul, Minneapolis, Rockford, Davenport, Des Moines, Omaha, Kansas City, Wichita and Oklahoma City.

## February Production Off 8.6 Percent, Report Shows

Life insurance production as reported by the Life Presidents' Association was 8.6 percent less last month than in February, 1931. The total for the year to date was 1.2 percent less than for the first two months of last year. Industrial was the only class to show a gain in February, increasing 5.6 percent over the February, 1931, figure.

For February, total new business of all classes was \$833,324,000, against \$911,937,000 during February, 1931, a decrease of 8.6 percent. New ordinary insurance amounted to \$577,633,000, against \$599,462,000, a decrease of 3.6 percent.

Industrial insurance amounted to \$220,568,000, against \$208,888,000, an increase of 5.6 percent. Group was \$35,123,000, against \$103,587,000, a decrease of 66.1 percent.

For the two-month period, total new business of these companies was \$1,778,172,000 this year against \$1,800,272,000 last year, a decrease of 1.2 percent. New ordinary insurance amounted to \$1,193,009,000, against \$1,195,114,000, a decrease of .2 of 1 percent from the 1931 figure.

### Two Months' Figures

Industrial insurance amounted to \$438,120,000, against \$423,208,000, an increase of 3.5 percent. Group insurance amounted to \$147,043,000, against \$181,950,000, a decrease of 19.2 percent.

The figures represent new paid business, exclusive of revivals, increases, and dividend additions, of 44 American companies having in force 82 percent of total outstanding legal reserve life insurance in this country.



## What Is the Audit Bureau?

Question—I notice that on the editorial page of your paper every week you carry the notation "member Audit Bureau of Circulations." What does this mean? What is the Audit Bureau of Circulations, and in what way is it beneficial to a reader of your paper?

Answer—The Audit Bureau of Circulations was organized many years ago by the leading newspapers and nationally circulating magazines for the purpose of establishing an impartial, unprejudiced bureau that could check and audit the circulations of the newspapers and magazines in which advertisers were interested in inserting advertising. It has grown to such an extent that today practically all of the newspapers and magazines with a circulation of any consequence are members. In fact, advertisers have no other way of determining that the circulation claimed by newspapers and magazines is authentic.

### Like Department Examination

To make an insurance illustration, the Audit Bureau of Circulations examines a publication just as an insurance department examines a company. Post-office bills, printing bills, paper bills, bank deposits and other records are analyzed to see if they check with the paid circulation claimed. Some astonishing tales could be told of what the auditors find.

Few insurance companies would be willing to see state insurance departments abolished. With all their annoyances they do keep the field reasonably clear of "wildcats" and fake companies. Those who remember the wildcat days know what would happen if departmental supervision was withdrawn.

The Audit Bureau of Circulations was formed because with the growing expenditures for advertising it became essential for advertisers to know what they were getting for their money. It is extremely rare for any magazine or newspaper or newspapers to resign

from the Audit Bureau of Circulations once they have become members. It would be comparable to an insurance company withdrawing from the supervision of the state insurance departments and "going wildcat." The unadmitted companies might have plenty of good assets, but the public might doubt it.

### Important to Advertiser

From the standpoint of the reader the fact that THE NATIONAL UNDERWRITER is a member of the Audit Bureau of Circulations is of no consequence, as it has no effect upon the editorial policy or content of the paper. For the advertiser it is important. It means that THE NATIONAL UNDERWRITER's circulation is known or ascertainable. It means that THE NATIONAL UNDERWRITER cannot resort to extravagant circulation claims, but that instead it has come out into the open with its circulation and that as a consequence every advertiser knows exactly what he is buying. The same is true of any other paper belonging to the Audit Bureau of Circulations.

## Conditional Receipt Form Figured in Policy Contest

The United States circuit court of appeals in the fifth circuit Mississippi in Tabb et al. vs. Mutual Life of New York decided an issue over a policy with conditional receipt clause. The policy was issued to Bullard payable to his estate. The application was signed Feb. 15, 1929, and Bullard died March 21. The policy was dated Feb. 20. It was mailed by the district manager to one Dulaney, who received it about March 10, at which time Bullard to his knowledge was not in good health, but was confined to his bed suffering from an illness from which he never recovered. Within a day or two after receiving the policy Dulaney mailed a check for the first premium to the district manager and on March 15 called on Bullard to have the policy assigned to J. P. Tabb to secure a debt. He was so sick that Mrs. Bullard, at his direction, executed the assignment.

The suit was brought by the widow as administratrix and Tabb as assignee of the policy. Recovery was sought on the ground that the policy became effective from date of application under a conditional receipt clause. The district judge charged that Dulaney was the agent and as such had received the first

premium with the result that the policy was in force from the date of the application. Bullard was induced by Tabb, to whom he was indebted, to apply for the insurance and to pledge the policy as security. Dulaney was not an agent but acting under Tabb's instructions he got into communication with the district manager and took the application. Dulaney did not pay or offer to pay the first premium until after he had received the policy. There was a verdict for Tabb et al. The United States circuit court of appeals holds the court should have directed a verdict for the company. Dulaney was not in fact the agent. He was acting as agent for Tabb. As his agent he received the policy through the mail and afterwards paid the premium and procured the assignment from Bullard. He was therefore not the agent of the company by reason of any provision contained in section 5873 of Hemingway's code of Mississippi. The judgment for Tabb et al. is reversed.

### Blanks Committee to Meet

The committee on blanks of the National Convention of Insurance Commissioners, of which W. A. Robinson of the Ohio department is chairman, will hold a meeting at the Commodore Hotel in New York May 9-11.

## MR. YOU » » »

During the past few months we have been telling you about our ORGANIZED SALES PLANS.

As further evidence of the success of this plan, The Minnesota Mutual enjoyed, not only the greatest volume of regular business it has ever enjoyed during its December "Randall Month," but production of regular business during 1931 exceeded the production of this class of business for any one year since this Company was organized in 1880.

Any man intent upon success cannot afford to pass up the opportunity the ORGANIZED SALES PLAN offers.

If interested, fill in the coupon below and mail to



**The Minnesota Mutual Life Insurance Co.,  
St. Paul, Minnesota**

I am interested in your ORGANIZED SALES PLAN. Please give me full particulars.

Name.....

Present Occupation.....

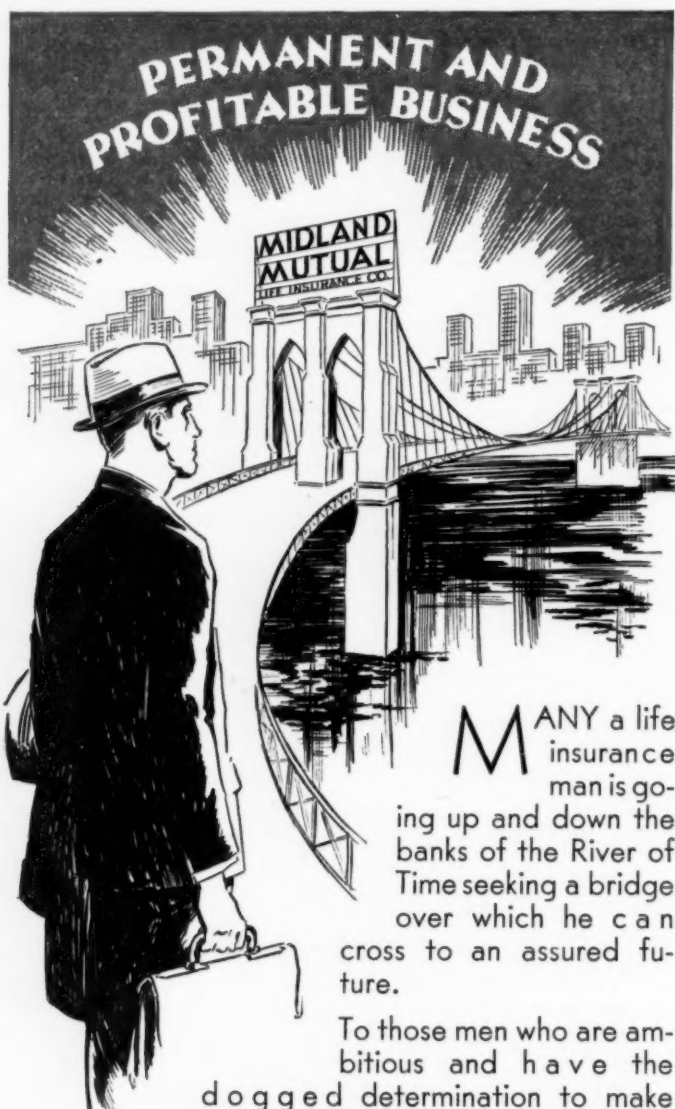
Address..... City and State.....  
The National Underwriter

### Talking to an Assured About His Own Insurance Policies

The New York Life agency bulletin declares that when a prospect says that he has ample insurance it gives the agent the best kind of an opening. The agent should begin immediately to talk about that insurance. He is interested to know what kind he has, how much, to whom payable, how payable. He wants to know whether he has any educational policies or mortgage policies. Has he provided pretty well for his own old age? Has he a competent retirement fund? The New York Life declares that every man is interested in his own insurance because it belongs to him. He will talk for 15 minutes, says the New York Life, about his own policies, but he is not interested in those of other people.

### Warner Issues Warning on Circulating False Reports

Superintendent Warner of Ohio is sending out a letter to companies and agents denouncing the circulation of reports attacking the standing of several life companies operating in Ohio. These reports, some of which have been embodied in circulars and pamphlets, are being used in the solicitation of business for other companies. According to Judge Warner, "the laws of Ohio forbid, and the rules of the Ohio department of insurance will not tolerate, this unfair, illegal method of obtaining insurance business." Judge Warner warns that the department will take summary action against anyone circulating false reports about a company in the solicitation of business.



MANY a life insurance man is going up and down the banks of the River of Time seeking a bridge over which he can cross to an assured future.

To those men who are ambitious and have the dogged determination to make good The Midland Mutual Life Insurance Company is the bridge

over which they can travel to a permanent and profitable business.

When traveling over this bridge you will find that it is firmly constructed by men whose conservative management builds for financial security.

In more than twenty-five years that this Company has been in existence it has kept going steadily ahead and has always maintained its increased dividend schedules and its ideal of making "Its Performances Exceed Its Promises."

If you feel that you have the qualities that will make you a General Agent for this Company there are several opportunities open. Address

The Agency Department

**THE MIDLAND MUTUAL  
LIFE INSURANCE CO.**

Columbus, Ohio

## Headliners on Cleveland Sales Congress Program

Over 1,000 members and guests attended the Cleveland Life Underwriters Association's annual sales congress last Saturday.

William H. Beers, New York City general agent New England Mutual Life, was the first speaker. Insurance production, he said, can be determined by the A. I. R. route, "A" standing for average policy, "I" for number of interviews and "R" for ratio of sales to interviews. Multiplying  $A \times I \times R$ , we get the production figures, and if we can control these factors, we can control production.

There are three main essentials in selling life insurance, he said—"prospect," "presentation" and "program of effort." He likened these three "P's" to the three motors of a tri-motor plane, pointing out that without all three a person can't get very far. "In determining a real prospect, you must consider whether or not he has the need, whether he can afford to buy and whether or not he can be approached in a favorable way. Some producers insist that every man is an insurance prospect, but you are wasting a great deal of time on this theory and probably eight or nine out of every 10 people must be eliminated as possible prospects."

### Solicit People of Same Type

"You should solicit people of your own type for greatest success. Age also has something to do with it, and your greatest possibilities will lie among prospects within five years either way of your own age. Solicit thrifty people and look for men who must replace their losses, for insurance provides the best way. Build up your lists of three point prospects—the ones who have the need, can afford it, and can be approached favorably. At least 60 percent of these should come from people you have never seen before."

### Presentation Means Great Deal

The second essential of successful life insurance sales, presentation, means a great deal in times like these. "You should establish an interest in common, find out his point of view, get data on the subject, make a definite proposition, build desire, create confidence and close the sale. The closing may come at any time and there should be at least three attempts to close during the interview. Prospects usually make their decisions one way or the other during this first interview, and you should get that decision. If they are definitely out of the picture, leave them alone."

"A program of effort is probably the most important of the three essentials. Interviews should be planned a day in advance at least and you should do your work from week to week and more definitely by the half day so that every hour of your time will be given over to constructive selling. A certain period every morning should be given over to thought, and every interview should be planned. By efficient approach and a carefully laid out program, successful results can be obtained."

### Engelsman Answers Questions

Ralph G. Engelsman, New York City general agent Penn Mutual Life, conversed with himself on the important problems of the average life insurance salesman, asking and answering questions from the speakers' stand.

Albert W. Atwood, Washington, D. C., writer and authority on financial and economic matters, opened the afternoon program with a talk on "Life Insurance in the New Economic Order." Security and stability will be of out-

standing importance in the new economic order, he said, and there will be less fluctuation and depreciation in the future.

Henry E. North, third vice president Metropolitan Life, in charge of sales promotion, spoke on "Modernizing Sales Methods." Insurance should be sold by the program method, he said, and the necessities of the customer should be considered. "The modern salesman must know his business as never before. I believe in the standardized sales talk, and without it there is apt to be a tendency toward weak and inferior presentations. Analyze your prospect's needs and apply the policy best suited at that time. Have a definite proposition and present it in an intelligent way. And give your clients service at all times. They are your friends and they are the ones who can furnish leads to new prospects if you will but let them help you."

Roger B. Hull, managing director National association, concluded the program with "The Road Back to Security—The American Plan."

### Here's How C. L. U. Has Affected One Student

The following agonized verse by a tortured soul, who is studying in the Northwestern University C. L. U. class has come to the attention of THE NATIONAL UNDERWRITER:

I never knew what fight was till I started C. L. U.  
The darned thing has me scared so that I don't know what to do.  
I dream about those fractions on "Expectancy of Life"—  
Get so worked up that sometimes I go home and beat my wife.

And "Compound Probability"—now isn't that a bird—  
The weirdest sort of stuff an underwriter ever heard?  
I'd like to toss some coins to prove the facts they tell about,  
But so far Mr. Lothgren hasn't given any out.

The "Table of Mortality" has got me going good,  
I'm worried now for fear that I won't die just when I should.  
Don't want to live a minute more than my allotted span  
For fear that I will find that I am just an "Also Ran."

Next June examinations come for two days and a half,  
I'm wondering if I can ever stand the awful gaff.  
Oh, well, I'll keep on trying, and if I fall then I will take a header off the Navy Pier that's right close by.

And on my tombstone let them write "He studied C. L. U."  
He didn't miss quite all the points, he understood a few.  
The poor guy did his darndest, but he couldn't stand the strain—  
He died of what the medics call "A life insurance brain."

The angels up in heaven, as my harp they start to tune,  
Will say: "Cheer up, some other C. L. U.'s are coming soon."  
And they will find me trying, my Huebner in my hand,  
To sell to Mr. Gabriel some contracts on his band.

**NOW READY  
DYNAMIC SHORT COURSE**  
A complete 3-day course for the new agent—\$3.00  
**The Insurance R & R Service  
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## Operates Under Deposit Law

A subscriber who was interested in the advertisement of the Abraham Lincoln Life of Springfield, Ill., writes THE NATIONAL UNDERWRITER as to the significance of the statement in its advertisement, "The only company which deposits its full legal reserve on life policies in the state of Illinois." The subscriber raised the question as to whether this was compulsory.

President H. B. Hill of the Abraham Lincoln calls attention to the fact that there are two general laws in Illinois under which a company can incorporate. One is known as the old or the 1869 law, and a later law, known as the special reserve deposit act, is commonly designated as the 1899 law.

### Features of the 1899 Act

Most of the companies incorporated in Illinois are operating under the 1869 law. The Abraham Lincoln Life is operating under the 1899 law. The legal reserve for both classes of companies is the same. Under the 1899 act the reserve is deposited with the state insurance department and on each policy is the certificate of the department properly signed, vouching for the fact that the reserve protecting the policy is on deposit with the department. President Hill cites the People's Life of Chicago, whose investments were found to be inadequate and when it was taken over a lien was placed on the policy. He makes it the point that if the People's Life had been operating under the deposit act the department would not have permitted such a large investment as it had in the stock of one bank.

### Mechanics of Deposit Act

President Hill explains the mechanics of the deposit law. A loan of \$50,000 is made on real estate. When it is consummated the mortgage is deposited with the state department and the company is given credit for that amount. Every day policies are being issued and before they can be forwarded to the agents for delivery, they must be sent

to the state capitol for registration. On the face of the policy appears this certificate: "This policy is registered and approved securities equal in value to the legal reserve hereon, are held in trust by this department."

The department will continue to certify and sign the certificates so long as the company has a credit in its securities accounts sufficient to meet the reserves. If for any reasons a sufficient amount has not been deposited, the department then would refuse to certify the policies. Therefore the company has on hand a larger deposit than the law requires so that there will be no delay in issuing policies.

### Time Consumed in Process

At one time two or more other Illinois companies operated under this law. It proved to be unsatisfactory to them as they were located away from Springfield. They had to send their policies to the state capitol. The insurance department would return them to the head office and the head office then would forward them to their agents for delivery. This consumed time and the agents objected to the delay. An amendment was passed to the 1899 act permitting a company operating under it to withdraw voluntarily providing it had at least \$50,000,000 of registered business in force. When a company withdraws from the deposit act, the reserve on all policies previously issued must be maintained with the insurance department. When a company does not have its policy certified it then automatically returns to the 1869 law.

When the Abraham Lincoln Life took over the Springfield Life, the Springfield Life had its securities deposited with the trust department of a Springfield bank. The Abraham Lincoln withdrew these securities and deposited the major part with the state insurance department. This act was voluntary but the Abraham Lincoln Life believes in the protection of the certification plan.

## THE NOVEL INSURANCE DIAL BANK

WILL  
DOUBLE YOUR BUSINESS



TRY IT  
AND BE  
CONVINCED

Revolving  
Dial of  
Etched Brass  
On One Side  
of Bank

Takes All Coins Up to 50c  
Holds \$12.00 to \$18.00 in  
Assorted Coins

Do You Realize that a Man 25 years of age can buy \$1,000 LIFE INSURANCE for only 6c per day?

## The Insurance Dial Bank

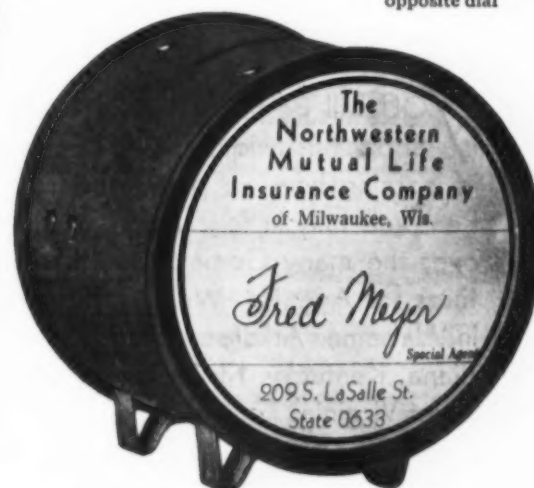
shows the amount necessary to be saved DAILY to purchase \$1,000—\$2,000—\$5,000 or any amount of insurance at various ages. Dial and figures can be made to comply with the rates of any of the Insurance Companies.

Your "Ad" on side  
opposite dial

LOW IN  
PRICE

Trial  
Orders for  
Small  
Quantities  
Accepted

Write for  
Details



BANTHRICO, INC.

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Chicago, Ill.

Detach and use this coupon

Banthrico, Inc., 2944 W. Lake St., Chicago, U. S. A.  
Please send full information about Insurance Dial Bank and proof of what it is doing for others. I represent.....

Name .....

Address .....

## GALLEY PROOFS . . . . .

The demand for policy loans continues. It was thought by this time there would be a cessation but so far there is none in sight. There has been an interesting evolution in the policy loan situation. When the financial crash came many people rushed to their policies to secure money to bolster up their accounts with investment concerns where they had margin arrangements. As time went on they found that their income was being cut and their reserves exhausted. Therefore they went to their policies again to bolster a weakened exchequer. Obligations had been assumed and had to be met.

Then salaries were cut and many people were forced out of work. Life insurance policies again became a shock absorber. Now it is found that people that were not in the market and had not had their salaries cut, and are still at work are seeking loans. This is due undoubtedly to the fact that almost every family is assisting relatives who are in a bad way. When life companies trace back many of the policy loan demands at present it is found that those making applications are assisting others in need in a systematic way.

The Hooper-Holmes Bureau states that there are a number of incidents that have come to light in recent years where racketeers and gangsters have endeavored to secure comparatively large sums of life insurance. All life companies regard these naturally as poor risks. It takes much ingenuity and often courage for inspectors to ferret out these applicants for often they apply

for insurance under assumed names and give false application. The Hooper-Holmes Bureau states that Al Capone, "Legs" Diamond, Joe Aiello, "Mickey" Duffy and Johnny Staccio have all tried to create a life insurance estate and failed.

Recently, the Hooper-Holmes Bureau states, an enterprising agent was tipped off that a wealthy man living in a fashionable suburb near New York would be in the market for insurance. The agent sought him out and secured his application for \$50,000. The inspection brought out the fact that a few years ago he was living in a humble home and now had a palatial mansion. As the inspectors looked into the subject further they found that gangsters visited him at night, uncovering the fact that he was a bootlegger. Gangsters have a short life expectancy, says the Hooper-Holmes Bureau. \* \* \*

W. R. Talbot of the Philadelphia agency of the National of Vermont had a fine February and headed the honor roll for the month. The J. T. Phelps & Co. agency of Boston led the agencies in new paid premiums with the exception of the St. Paul agency.

### Home Office Underwriters Meet

PHILADELPHIA, March 17.—The Home Office Life Underwriters Association will hold its spring meeting here at the Bellevue-Stratford May 26-27. The occupational conference will meet May 25. It is expected that a preliminary program will be released shortly.



—A Unique Plan  
of Agency Compensation  
based on

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enables Common-  
wealth Agents to  
make more money

YOU will be interested in knowing more about this unique plan of compensation; in learning how we pay standard nine-year Renewals fully in four years; and in checking over the many Commonwealth service features for Agents. We have good openings in Alabama, Arkansas, Florida, Georgia, Indiana, Kentucky, Mississippi, Tennessee and West Virginia.

WRITE FOR PARTICULARS

# COMMONWEALTH LIFE INSURANCE CO.

LOUISVILLE, KENTUCKY

Rated "A" by Best

## Some Points Made in the Effort to Twist Policies

Elbert Storer's article on twisting meets the hearty approval of a Spokane, Wash., manager, who declares:

"There is room for argument on both sides, but there is only one situation in which I think a policyholder is justified in giving up his protection in a reputable old line company, and that is when he has absolutely reached the end of his string financially; when he is flat broke, bankrupt and going down for the last time."

The manager encloses copies of proposals used by one man, which have been forwarded to R. B. Hull, managing director National Association of Life Underwriters.

### Scope of the Proposal

These proposals state the total loans on all life policies are over \$3,000,000,000 with \$180,000,000 interest, or sufficient to carry some \$6,000,000,000 of life insurance at age 45. This, together with the statement that \$3,000,000,000 of this is and never can be received by beneficiaries because the loans are deducted from insurance at death, makes up the standard so called readjustment argument.

"By analyzing these simple facts," the proposal states, "you can readily see why the companies and their paid agents strongly urge you to keep your old policies. No wonder they admonish you to consult the company which issued the policy. Naturally they want a chance to put you to sleep again."

Sheppard Homans, great actuary, is quoted, his well known statement about net cost insurance being well known to all life insurance men and used constantly by those who want to bring about a change.

### Method Used in Rate Making

Section 2 of the proposal discusses the method used in making legal reserve rates and is headed "high cost of cash values." The net term rate at various ages is freely used and the usual point is made that if the policyholder dies in the early ages he is making a "large donation" to the company. This is linked with a tabulation for July, August and September, 1926, showing 2,398 claims paid by a New York company, 1,842 policyholders having died in the first 20 policy years.

Twenty payment life and endowment policies are analyzed according to the formula previously presented and the statement is made, "Translated into plain English, this means that if the company pays the life insurance, it pockets your savings account; while if it pays back your savings, it cancels the life insurance."

### "Shameful Margin of Difference"

This is followed with the usual separate investment account argument, showing large accumulations, the fallacy of which was demonstrated over the last two years. However, the author of the proposal termed this a "shameful margin of difference" in favor of the life company.

"Remember, that if you live beyond the endowment period the company pays no life insurance," the proposal states, "while if you die within the endowment period it pays no endowment."

### See No Advantage

Progressive underwriters of sound ethics state that there is no legal reserve policy sold, which, even though a maximum loan is carried should be dropped for another policy; that the disadvantages of the new contract more than offset any apparent actuarial advantages. Moreover, in most cases competent underwriters can demonstrate that even the figures are opposed to the twister's arguments. It is said the twister almost

invariably leaves out some important factor to gain his point.

So far as interest is concerned, the twister's argument will not hold water at all unless the money borrowed from the cash value is spent or lost. If it is used to reduce a bank loan, for an investment, etc., the interest factor should be ignored. In any event, money is worth 6 percent these days, no matter how used. Therefore if the proceeds of the loan are used to pay current bills and for living expenses, the interest properly should not be considered a debit against the insurance. Save for the policy loan, the policyholder would have had to borrow from the bank, putting up collateral, and perhaps paying more than 6 percent even them. In such a case the bank interest would not be considered as added to the insurance cost.

### Honor Veteran With "Apps"

"A Long Week for Long" is a campaign to be conducted by the Lamar Life, the production of March 21-28, to be considered as an honor to J. H. Long, 78 years old, who has been a general agent for 20 years. Special letterheads bearing the general agent's picture are being used. Individual records of the producers in honor of Mr. Long will be presented to him at his home in Hazlehurst, Miss., where a banquet, attended by his agents and by home office representatives, will be held. The leaders during the week will be announced over WJDX, the Lamar Life station.

### Actuaries Meet in Chicago

A meeting of the board of governors of the American Institute of Actuaries was held in Chicago to discuss the program for the annual meeting at Kansas City and to pass on candidates for examination. J. F. Little of the Prudential, president of the institute, was in charge. Others in attendance were W. P. Coler, American Central; H. W. Curjel, Illinois Life; W. M. Johnson, Central Life of Illinois; W. F. Poorman, Central Life of Iowa; E. G. Fassel, Northwestern Mutual, and R. C. McCauley, Equitable Life of Iowa. The Kansas City meeting will be held June 2-3.

### Banks Kansas Candidate

J. J. Banks of Atchison, Kan., is the third man to announce that he will be a candidate in the Republican primaries for insurance commissioner. The others are Commissioner Hobbs and J. B. Smith of Kansas City, Kan., former assistant commissioner, who was defeated by Mr. Hobbs four years ago. Mr. Banks was defeated by Hobbs two years ago.

Banks is advocating a statute similar to the Robertson law of Texas, which requires that reserves on Texas policies be invested in Texas securities.

### Endowment Plans Insurance

MADISON, WIS., March 17.—Attorney General Reynolds holds that the secretary of state may not accept and file articles of incorporation, the stated purpose of which includes the endowment of estates of deceased members with funds as set forth in the membership certificate, since that purpose contemplates the transaction of insurance business. The articles of incorporation should be filed with the insurance commissioner.

Sullivan's "American Business Law" is recommended for "C. L. U." study and can be obtained from The National Underwriter. \$2.50.



## Loan Pressure Is Somewhat Relieved

(CONTINUED FROM PAGE 1)

the more people look to the government for help.

"Utility bonds have held up well. Utilities are selling 'necessaries' and while the demand has fallen off some, competition has not been a factor in forcing down earnings. Holding company securities are not so favorably situated.

### Industrial Bonds

"Leading industrial bonds are holding up well. The municipal situation is spotty. The credit of a number of cities and states is as good as ever. Others like New York City, have suffered because the political government is not such as to create much confidence. However, the government seems to be about as good as the people by and large want and there is not likely to be any change unless a more serious situation should arise.

"Policy loans have shown an improvement which is too early to be seasonal. With most companies excessive demands for policy loans began in October, slackened a little in November and were up again in December and January. February was considerably better. March is starting out well and seems likely to get better. A very hopeful sign is an improvement in the repayments of policy loans, but it is too early to tell whether this is permanent or whether there will be a reaction. Most companies last year had from 25 to 50 percent of their assets in policy loans. This year the figure promises to be even higher.

### Absence of Epidemics

"Most companies have been helped in their cash situation by the absence of influenza or other epidemics. One company for the year to date—a period when claims usually run high—has a mortality of only 40.25 as compared with its average of 56 for the preceding four years. This favorable mortality of course means a decrease in demands for cash funds.

"Lapses continue high, due mostly to policy loans and to inability to continue premiums, but the eventual result will be a big boost for life insurance. People will realize that life insurance was their friend in need. Like war risk insurance and the influenza epidemic in 1918, the present situation should result in life insurance occupying a far stronger position than ever before in the public mind."

## Heart Cases Offer Disability Problem

(CONTINUED FROM PAGE 3)

accepted for disability coverage, the determination of disability is an entirely different problem. A man may have high blood pressure and pronounced heart symptoms and yet be able to carry on his business. It all depends on the kind of work in which he is engaged. In cases of stenocardia, the most noticeable feature of which is a pronounced tightening of the chest, it is usually possible to tell whether the patient is telling the truth by giving him some moderately active exercise. A man suffering from this form of heart disease will be almost unable to get his breath at all after any exercise. There are cases where a man is able to get around town while walking with care and protecting himself, but he is unable to stand any form of exertion. Some of these men may be able to do some work, but the problem is to find what they can do.

The most serious problem from the disability standpoint is in connection with cases of coronary thrombosis, a form of heart disease which is prevalent among men between 40 and 50. It is not a disease of the aged, as was once believed, but as many of its victims are

under 50 as over that age. It is characterized by sudden and very severe attacks, which often prove fatal, about 20 to 25 percent of them resulting in death. Patients who recover from these attacks are not, however, totally disabled thereafter and more than 50 percent of them are able to return to work. He cited the case of a doctor of his acquaintance who continued active in his practice for seven years before suffering a second attack.

### Period of Temporary Disability

There usually is a disability period of from four to six months after such an attack before the patient is able to return to work. Recovery is more rapid in the summer and the disability is likely to be longer in the winter months. Climate is also an important factor. Men of this type are not fit for hard physical labor, but may be able to manage a business just as well as before. Companies may have these men on their hands for years but in most cases they would be better off if they would go back to work. Dr. Carr says that the test he applies in such cases is: "Would he go back to work if he had no insurance?"

### Some Special Types of Disease

Arterio-sclerotic conditions occur mostly among elderly persons and the question of disability in such cases is not hard to decide. Syphilitic heart disease usually occurs where the patient has not received proper treatment in the early stages of the disease. The mortality in such cases is very high. They may not develop for ten or 15 years, but when the break comes, the man is usually all through.

Rheumatic heart disease usually develops among younger people and they are not likely to be accepted for disability insurance. It is primarily a disease of the poor, almost non-existent in communities where living standards are high, and might be wiped out if living conditions were more favorable.

### Angina Not Poor Man's Disease

Angina pectoris, on the other hand, is almost entirely confined to the more well-to-do classes. Dr. Carr said that in his experience at the county hospital angina pectoris cases were almost unknown. Many of these cases are on a nervous basis. He said that he strongly suspects that a large number of patients who come to him will within a few years be victims of heart trouble, particularly of the hypertensive type, associated with high blood pressure. He is led to this conclusion by the patient's build, manner of living and some preliminary symptoms, but says it is difficult to know how to talk to such people. If he tells them of his suspicions, possibly half of them will be scared into disability.

He told of a physician who became interested in the operation of the electrocardiograph and decided to have it used on himself. When the record showed some irregularities he gave up his work entirely, although he had felt no indication of any trouble of any sort before, and it was only when Dr. Carr happened to find in a medical journal a record of a case with very similar findings, where the patient had lived for many years and showed no serious effects, that he was able to talk his friend out of the idea of quitting work.

### Electrocardiogram Not Infallible

Dr. Carr said that the electrocardiogram cannot be taken as an absolute record and that wrong conclusions may be reached if minor deviations from the normal are too strongly stressed. These may often be produced by a nervous condition. He emphasized very strongly, however, the service that the electrocardiograph has rendered in bringing to light heart impairments that were difficult to discover before. He said that there are no really adequate statistics on deaths from heart disease, as many cases which until a few years ago were reported as due to ptomaine poisoning or other similar causes probably were heart cases.

# NWNL ACCOMPLISHMENTS IN 1931

NWNL closed 1931 with no bond, in its long list of bond holdings, in default as to principal or interest.

The market value of its bond holdings (determined as prescribed by the National Convention of Insurance Commissioners) was nearly 1/2 Million Dollars greater than the amortized book value at which they were carried in the Company's statement for December 31, 1931.

It enjoyed the largest income (over 12 1/2 Million Dollars) of any year in its history.

Its interest income exceeded its death and disability claim payments.

Payments to living policyholders during the year (over 4 1/2 Million Dollars) exceeded by 2 3/4 Million Dollars the payments to beneficiaries of deceased policyholders.

Its payments to policyholders and beneficiaries (6 1/2 Million Dollars) were the largest in any single year in its history.

Its cash funds available for new investment during the year exceeded the cash disbursements by more than 7 3/4 Million Dollars. Of these funds, over 2 1/2 Million Dollars was loaned to policyholders, on the sole security of their policies and without delay.

In addition to policy loans, it made other new investments in high grade securities of approximately 5 Million Dollars. Exclusive of policy loans, total cash funds available for investment during the year were equal to 42% of the cash receipts.

At a time when interest rates paid by banks were declining, the Company substantially decreased its bank balance, without materially affecting the liquidity of its assets, by investing approximately 1 1/2 Million Dollars in U. S. Government Bonds.

The Company increased its assets during the year by \$3,900,000.

It increased its reserve funds by over \$3,800,000.

It decreased its management expenses and increased its surplus, both substantially.

It increased (by approximately 10 Million Dollars) its total paid-for insurance in force, and closed the year with over 360 Million Dollars insurance outstanding.

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Doorway



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## NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

G. J. ARNOLD, PRESIDENT

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## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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### Member Audit Bureau of Circulations

### Don't Destroy Public Confidence

AS POINTED out in the news columns in a recent issue of THE NATIONAL UNDERWRITER, the situation in the life insurance field at present deserves the particular attention of commanding executives. Business is difficult to get. Agents are out to it to meet their quotas. They find that there is much uneasiness in many people's minds as to whether their positions will continue and if so whether their salaries will not be reduced. There is much hoarding on account of fear. The uncertainty in the air reduces the number of insurance buyers. Many agents are seeking to replace present policies by new ones. This is particularly true where loans are found.

Unfortunately there is more suspicion being created in the minds of policyholders than ever because of insidious reports as to certain aspects of this company and that. This is especially true now that the annual statements are being scanned. One company, for example, has a number of farms that it has taken over. Another has a considerable block of railroad bonds concerning which there is much uneasiness. Another has bank stocks that have had a big fall. Another shows a sharp decrease of insurance in force. Still another shows large losses in its disability department. The annual statement of almost any company could be taken and one feature used to discredit it. Unfortunately that is what is being done in a number of cases.

In our opinion this is the most critical time for life insurance because of this campaign of innuendo and subtle attack. Heretofore the minds of policyholders and the public in general have been at rest so far as life insurance is concerned. They realize that there has not been a single company that has succumbed because of the depression. In spite of obstacles that were seemingly unsurmountable, these institutions, built on a scientific basis, are emerging in

wonderful shape. Given time but a few scars will be seen. However, if this campaign of creating suspicion and solicitude in the minds of policyholders continues, we will find that the public will become suspicious and uneasy as to life insurance companies. This would be a disaster of vast proportions.

Many years ago when casualty insurance was being established and there were some aggressive pioneers competing for business, mud slinging was started in earnest. It resulted in policyholders wondering whether there was any solvent and honestly managed casualty corporation. The result of this besmirching activity resulted in a sad lack of confidence. It took casualty companies years to overcome the prejudice that was created by the competition largely rooted in bilge water and hog wash. Life insurance is riding rapidly into the same situation unless there is a halt called. Here and there for some ulterior purpose, a few insignificant sheets have defiled their columns by insinuating attacks, chiefly on account of some grudge or to sell extra copies.

A number of state insurance departments have come out very strongly against the nefarious practice of attacking companies that may be in temporary embarrassment in some respects but which, if given time and encouragement, will reach the port safely.

Insurance Commissioner LIVINGSTON of Michigan, president of the NATIONAL CONVENTION of INSURANCE COMMISSIONERS, has been most outspoken in denouncing false and malicious rumors. He declares that almost every company operating in his state has been subjected to this disquieting propaganda.

Commissioner PORTER of Montana has issued a warning to agents, stating that in using attacks on other companies to further their own end, they will tear down the structure of the life insurance

business. "Such agents," he said, "care little for insurance as a whole but are thinking of only their own commissions."

Deputy Commissioner BECKETT of California and Commissioner SPENCER of Maine have come out also with emphatic declarations against these injurious, whispering campaigns. Superintendent WARNER of Ohio this week calls attention to the wholesale twisting of policies, saying that in many cases agents are attempting to dislodge contracts in force and switch them to their own companies. Superintendent WARNER says that such exchanges are almost always made to the detriment and expense of the assured.

Commissioner GREER of Alabama, who was a life insurance man before he took his seat, attacks those sheets that are publishing articles, either openly attack-

ing companies or by cunning innuendo leaving the impression that something is wrong. Superintendent DUGAL of Quebec calls attention to a malicious article published by a sheet in his country, attacking a large company. Superintendent DUGAL states that the matter contained in this publication is malicious.

This is the time to disband the knockers' club. Life insurance is built on a perfectly scientific and impregnable system. The goose that laid the golden egg should not be killed for momentary profit.

THE NATIONAL UNDERWRITER joins with the insurance commissioners in condemning this nefarious and uncalled for attack on companies that should receive a good word and encouragement in these days of great anxiety and immense responsibility.

## PERSONAL SIDE OF BUSINESS

Charles F. Hobbs, Kansas commissioner, was in a hospital two days last week and has been confined to his home much of the week as the result of an accident which necessitated the amputation of the end of a finger. The coldest weather of the winter hit Kansas last week and Mr. Hobbs was helping adjust a balky motor car engine when he caught his finger under a fan belt. The end of the finger was crushed so that part of it had to be taken off. He was able to be back in his office this week.

S. M. Saufley, former Kentucky insurance commissioner, who recently has been publicity manager of the Inter-Southern Life of Louisville, has resigned.

H. L. French, general agent at Madison, Wis., for the Northwestern Mutual Life, is chairman of the anti-hoarding campaign in that city. Under Mr. French's leadership, the Madison committee succeeded in getting local merchants to cooperate in a plan which declared that the "baby bonds" were acceptable on accounts payable in excess of \$50.

M. J. Cleary, vice-president Northwestern Mutual Life, has been appointed chairman of the convention committee of the Milwaukee association of commerce. This is a particularly important post this year, when Milwaukee is attempting to secure many national conventions for 1933, when the World's Fair will be held in Chicago.

Betty Whiting, a typist at the head office of the Pacific Mutual Life in Los Angeles, has blossomed out as a story writer. She is 22 years of age. Her first story to be published in a magazine is appearing in the April issue of "McCall's." It is entitled "The Youngest." She spends her hours out of the office in preparing herself for writing.

Miss Virginia Marion Hawkins, daughter of J. A. Hawkins, manager of agencies of the Midland Mutual Life, was married in Columbus this week to N. G. Wedemeyer.

Mrs. A. R. Kuser, daughter of the late John F. Dryden, founder and for many years president of the Prudential, died in Rome last week. She was the widow of Col. Anthony R. Kuser, who was a director of the Prudential for 19 years.

Morgan Jones, who has been in the citrus fruit industry in Texas and was formerly manager of the Pan-American Life in Chicago, has sold out his interests in Texas and is returning to life

insurance. Before going with the Pan-American he was manager of the life department of Bowes & Co. of Chicago.

Vash Young's book, "A Fortune to Share," was listed Sunday as one of the best sellers of the previous week.

Secretary O. F. Stafford of the Gate City Life of Greensboro, N. C., underwent an emergency operation some days ago and is now on the mend.

W. Howard Cox, president of the Union Central Life, has been elected a member of the executive committee of the Association of Life Insurance Presidents.

Mr. and Mrs. E. W. Randall observed their golden wedding anniversary in St. Paul March 16. Mr. Randall is chairman of the board of the Minnesota Mutual Life and was for many years president of that company.

Mr. and Mrs. Randall were married at Morris, Minn., in 1882 and have lived in St. Paul 37 years. Messages of congratulation were received from company officials all over the country.

Employees of the Western & Southern Life at a meeting voted to contribute one week's salary to the Cincinnati community chest, of which President C. F. Williams is chairman.

Alexander J. Groesbeck, president of the Michigan Life and three times governor of Michigan, celebrated his 59th birthday last week.

A. Jennings Hanson, New York Life, addressed the commerce and finance students at the University of Detroit on "Insurance as an Investment and a Profession."

James S. Kemper of Chicago, president of the Lumbermen's Mutual Casualty and head of a large mutual syndicate of fire and casualty companies, who is a former director of the United States Chamber of Commerce, announces that Justin Peters, president of the Pennsylvania Lumbermen's Mutual Fire of Philadelphia, and a director of a number of insurance companies and organizations, is being groomed for the position of insurance director to succeed President Charles W. Gold of the Pilot Life of Greensboro, N. C., whose term expires this year. Mr. Kemper is acting as chairman of the campaign committee for Mr. Peters. Mr. Kemper states that from the time the national chamber was established in 1920 until 1930, one of the insurance directors has been identified with stock companies and one with mutuals. At the present time



## "I am a Hoarded Dollar"

"I am part of that One Billion, Three Hundred Millions of Hoarded Money about which President Hoover has been speaking.

"My owner has put me away in a dark Safe Deposit Box. I am not doing a thing. Having always been accustomed to an active life, this enforced idleness is really killing me. I'm as good as dead.

"Formerly I was circulating around helping to make the wheels of industry turn. I gladdened the heart of many a merchant. Every Saturday night some family was happier and better because I came into their midst.

"I formerly traveled all over the country, in and out of stores, helping to build homes and factories, paying freight bills, buying crops from farmers, constructing roads and bridges and power plants. I have helped mine coal, run steel mills, buy automobiles and enabled people to travel.

"One of the ways I was employed again and again was to pay life insurance premiums, and I was never happier than when used to protect some family or to provide for some one's old age through a life insurance or annuity policy. I have been in every life insurance office of the country, but was never permitted to stay there long. In a day or two I'd be invested in some mortgage, or some high grade corporate or government security, or used to help some widow.

"I wish my present owner would put me back in circulation right now. I can assure him that there is no safer or more useful place for idle dollars like me than with a great life insurance company. Maybe my present owner will happen to think of Equitable life insurance or an Equitable annuity as a good thing to buy for his family or for himself. Then I would again see the sunshine and get out of this deadly dungeon where I'm not a bit of good to anyone."

## THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE UNITED STATES

Thomas I. Parkinson, President

393 Seventh Ave., New York, N. Y.

## "Insurance Lapsitosis"

When the present d-p-r-s-n has ended, among the companies there will be millions of policyholders of a mind with him who recently wrote this letter to one of our General Agents:—

This last year has been a most trying one for all of us. We have caused the Company any amount of undue annoyance and additional office expense, in sending out past due notices, etc. If it were not for this extra service that Companies give, a lot of us would be suffering from *insurance lapsitosis*. I do not believe that the average policyholder realizes the number of extra courtesies and the amount of additional expense the average company shows and is put to to keep policyholders in line. And I take this opportunity to thank you and your organization.

This is certainly no time to neglect insurance. I believe I would force myself to sacrifice almost anything else before I would let my insurance go by the wayside.

Such an understanding and grateful expression is helpful to an Agent who is following up a delinquent, unappreciative policyholder.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

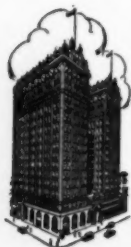
## The Road Ahead

The success ahead of a life insurance salesman depends upon five definite things—

1. Himself
2. His field
3. His policy contracts
4. His contract
5. His company

All of these are equally important. If all are good, success can be predetermined.

To the man who possesses the right qualifications, we will supply the other requisites of the right field, the right policies, the right contract, with the right Company.



Home Office

●For information address:  
A. R. Perkins, Agency Manager

JEFFERSON STANDARD  
LIFE INSURANCE COMPANY

JULIAN PRICE, President

Greensboro, North Carolina

the insurance directors are Mr. Gold and George D. Markham of St. Louis, a local agent. Mr. Kemper declares that the national chamber should represent all aspects of the business and he feels therefore that the fire and casualty mutuals should be represented. When Mr. Kemper retired as director, P. W. A. Fitzsimmons of Detroit, president of the Michigan Mutual Liability, was elected. He was supported by the various insurance interests until two years ago when the life companies and especially those identified with the American Life Convention prosecuted Mr. Gold's candidacy. Mr. Kemper takes the position that Mr. Gold and Mr. Markham are both stock insurance men. In addition to the two insurance directors there are two other insurance men on the board who represent geographical divisions, one being P. J. Fay of San Francisco, a stock company general agent, and President L. J. Dougherty of the Guaranty Life of Davenport, a stock company.

Second Vice-President M. C. Terrill of the Phoenix Mutual Life has been elected a director of the Hartford National Bank & Trust Co. Mr. Terrill has been with the Phoenix Mutual since he graduated from Yale in 1909. In 1918 he was made agency secretary and six years later was promoted to the

post of assistant secretary. In 1929 he became secretary and in 1930, second vice-president.

Charles E. Ferrell, 66, identified with the Indianapolis Life practically from its organization, died last Saturday night. He had the title of superintendent of eastern territory and was a consistent personal producer of business of an exceptionally high grade, the chief field of his operations being in eastern Indiana. Employees of the company were pallbearers at the funeral in Indianapolis Tuesday.

Because of the death of his mother following an illness of two weeks, Elbert Storer, president of the National Association of Life Underwriters, was forced to cancel his speaking engagements at Grand Rapids, Flint and Lansing, Mich., this week. His mother's home was at Wyoming, O., a suburb of Cincinnati. Mr. Storer's engagements with the Detroit and Toledo associations, scheduled for March 17 and 19, will be kept. He will also address the Louisville association, March 22.

Ernest Woodward, director and general counsel of the Inter-Southern Life, was called to his old home at Hartford, Ky., by the death of his father, W. T. Woodward, 84.

## NEWS OF THE COMPANIES

### Combining with Occidental

Colonial Life of High Point, N. C., Is Being Merged with the Larger Institution

President L. F. Lee of the Occidental Life of Raleigh, N. C., announces that the Colonial Life of High Point, N. C., is merging with the Occidental. This deal has the approval of Insurance Commissioner Boney of North Carolina. The combined assets will be in excess of \$5,000,000. The Colonial Life was organized in 1924 and has been operating in North Carolina, South Carolina and West Virginia. The Occidental has been in business for more than 25 years and is writing business in 10 states from Utah to the Atlantic Coast. The Occidental has \$250,000 capital.

#### Cortright a trained Actuary

President Lee is a lawyer and was vice-president for a number of years. L. C. Cortright, vice-president, graduated from the University of Michigan and took the actuarial course there. He has been associated with the Old Line Life of Milwaukee, Acacia Mutual Life of Washington, D. C., and Haight, Davis & Haight, consulting actuaries at Indianapolis. The Occidental has upwards of \$30,000,000 in force. The Colonial Life had something like \$10,000,000 in force. Its capital was \$123,500.

### Phoenix Mutual's Figures Show Two Months' Increase

In February the Phoenix Mutual Life issued more insurance than in any previous February on record, and for the first two months of 1932 its paid business is 29 percent ahead of the same period in 1931. This substantial increase was due partly to the opportunity offered the public to secure disability income protection before the revision of that benefit became effective, February 15.

The company also reported that the average premium per \$1,000 of insurance was larger in 1931 than it was in 1930 in spite of the fact that premiums remained the same. This trend is continuing into 1932 and indicates that the public is becoming more and more interested in the policy forms

which guarantee an income to the insured themselves at retirement age.

The Phoenix Mutual further stated that its increase in business has not come from any one section, but has been distributed generally throughout the 36 states in which it does business.

### Great Republic Life Takes Over Sun Life of Oklahoma

T. J. McComb, president of the Great Republic Life of Los Angeles, announces the reinsurance of the business of the Sun Life of Oklahoma City. The contract has been approved by stockholders of the Sun Life and by the Oklahoma department as well as the directors of the Great Republic.

Approximately \$3,000,000 of insurance is involved, increasing the Great Republic's business in force to about \$36,000,000. The Great Republic Life also takes over the agency organization of the Sun Life in Oklahoma, numbering about 200 salesmen.

The Sun Life has been operated by the same interests which recently acquired control of the Great Republic, with Mr. McComb as president. It recently took over the Trans-Continental Life of Oklahoma City.

#### Union National Moves

CHARLESTON, W. VA., March 17.—Headquarters of the Union National Life, formerly the Gem City Life, will be moved from Dayton, O., to Charleston this week. Officials of the company expect to be established in their new offices here by next Monday. Headquarters will be in the Union building, Kanawha and Capitol streets, purchased from the Charleston National Bank.

It is expected several weeks will be required to move all the departments.

#### Colonial Life's Increase

January and February were exceptional months for the Colonial Life of New Jersey. All districts of all divisions made an unusual showing. The collection records for the first two months exceeded those of the same period of last year. The writing and placing of industrial and ordinary is in advance of the first two months of 1931.

There were a number of appointments. T. J. Guiniven, manager Tren-



ton, N. J., district, resigned, owing to ill health. James Hearney, assistant manager at Trenton, has been made manager of the New Brunswick office. James Hoge, who resigned some years ago, was recently appointed to position as manager in Elizabeth. M. Stern, former manager of Elizabeth, is now manager in Newark. C. C. Chittick, only recently assistant manager in Elizabeth, has succeeded the late Cornelius Reilly as manager of the Paterson district. Philip Rotter, former assistant manager of Williamsburg, is now manager of the Jamaica district.

### Connecticut Mutual Increase

Figures of the Connecticut Mutual show that paid-for business for the first two months was \$20,858,964 against \$16,614,215 for the same period in 1931, an increase of \$4,244,749 or 25.5 percent. February, 1932, showed a marked increase, paid-for production being \$9,110,282 against \$7,632,568 in February, 1931, a gain of \$1,477,714 or 19.4 percent. The Connecticut Mutual also reports that at the close of February there were 933 full-time representatives under contract.

### Sun Life's Dividend

The regular quarterly dividend of 6 1/4 percent has been declared by the Sun Life of Canada on its \$2,000,000 outstanding stock. A year ago, in addition to this regular rate, a bonus of 25 percent was paid.

### Aim for Six Million Mark

The Public National Life, Joplin, Mo., which recently changed its name after operating three years as the Joplin Life, has \$2,750,000 insurance in force and expects to finish the year with \$6,000,000. It had an excellent month in February. Theodore P. Beasley is general manager and secretary-treasurer. He has been in the insurance business 11 years as field man and supervisor in Kansas, Missouri and Arkansas. R. H. Rose, who was in the field for 18 years, is president. The company operates in Missouri, Arkansas and Oklahoma.

### Board Chairman Resigns

Richard M. Hobbie, chairman of the board of the All-States Life of Montgomery, Ala., since it began active operations, has resigned, but he will remain as a director. The post of chairman will not be filled for the present, it is understood.

### Liberty National Election

F. P. Samford, secretary and treasurer of the Liberty National Life of Birmingham, has been elected vice-president and treasurer. R. W. Beeson, assistant secretary, was elected secretary. R. P. Davison was reelected president.

### Big Production for Hill

February was president's month for salesmen of the Abraham Lincoln Life, the event coming to a fitting close Feb. 29—the anniversary of the birthday of President H. B. Hill—with the largest single day's business in its history. February business was 27 percent greater than in February, 1931. January new business showed an increase of 10 percent over 1931.

### Say Occidental Won't Be Sold

SAN FRANCISCO, March 17.—At a meeting here attended by A. P. Giannini, who recently resumed control over the Transamerica Corporation and its affiliated organizations, northern California agents of the Occidental Life were advised by V. H. Jenkins, vice-president, that reports that the company was to be sold to outside interests were false. His announcement was concurred in by Mr. Giannini.

John A. Gordon, the company's lead-

ing producer in northern California, was chairman. Speakers included N. H. Nelson, C. S. Rathbone, Frank O. Bristol and Guy C. Macdonald.

### Life Company Notes

The Hawkeye Life of Des Moines now shows assets \$1,671,435.

The Monarch Life of Springfield, Mass., is now licensed in Illinois to write health and accident business. This company formerly wrote life insurance alone but conducted the Monarch Accident for accident and health. Now the activities are merged in one company.

## COMPANY MEN

### Wimbish Agency Manager

Advanced by Pilot Life of Greensboro to Succeed T. D. Blair, Recently Resigned

C. C. Wimbish, who has been connected with the Pilot Life of Greensboro, N. C., for a number of years, has been appointed agency manager succeeding T. D. Blair, who was recently elected vice-president of the Security Life & Trust of Winston-Salem in charge of agencies. Mr. Wimbish joined the Pilot Life in 1916 and became head of the accounting department. In 1922 he was appointed manager of the accident department. Later he became assistant secretary and last year was elected secretary.

### Harvester Life Promotions

Several promotions in the official personnel of the Harvester Life of Dallas and some additions to the board of directors were made at the annual meeting. Layden L. Stroud was promoted from secretary and agency director to vice-president and agency director, while E. A. Herzog, formerly assistant secretary, was made secretary and T. O. Briggs was named assistant secretary.

### Names New Field Superintendents

The Lamar Life has appointed two field agency superintendents, Harry O'Steen and T. B. Harrison. Mr. O'Steen, a former associate district manager of the Lamar, has spent his life insurance career with the Lamar, beginning as a special agent five years ago. He is president of the Lamar Life All-Star Club and was the winner last year of the Welty conservation medal.

Mr. Harrison was formerly a successful personal producer and agency superintendent with the Home Life of Arkansas and later with the Standard Life.

### Must Be in Sound Health When Policy Is Delivered

Although the authority delegated to the agent was broad enough to support a waiver of the improper and incorrect answers as to the applicant's health, the action of the agent in the Mutual Life of Baltimore vs. Connell did not bind the company to a waiver of the provision that the contract would be void until it is actually delivered to the assured while he is in sound health. This was the decision of the Ohio court of appeals in reversing judgment and supporting the contention of the Mutual Life. The assured died of diabetes less than a year after the policy was issued.

The court of appeals held that the record supports the conclusion that the soliciting agent knew at the time of the application that Connell had been in the hospital. The agent's authority was great enough to cause a waiver of the improper and incorrect answers, the court held, but his action did not bind the company to a waiver of the provision that the policy must be actually delivered to the assured while he is in sound health.

## Responsibility

There is no factor so vital to the institution of life insurance as the character of those who present it to the buying public. The whole structure of confidence and respect stands at the mercy of the fieldman; the popular conception of life insurance can be clarified or distorted—depending upon his tactics. The agent is indeed the keeper of a weighty trust.

These things being true, it follows inevitably that the man who traduces his competitor, or who misrepresents, or who lacks the highest sense of fair play and honesty, is actually a menace to the entire institution.

It is far better to lose business than to gain it through trickery or at the expense of a competitor's reputation. Sharp practices and mud-slinging are the refuge of the morally and mentally unfit—a sure indication of shortcomings that brand their users as undesirables of the lowest order.

The sooner these evil influences are eternally barred, the more quickly will life insurance demonstrate that it is the world's most humanitarian and altruistic business.

**AMERICAN  
CENTRAL  
LIFE  
INSURANCE COMPANY**  
Indianapolis

## WANTED

men who can qualify as Branch Managers in NEW YORK and OHIO

WE are establishing branch offices in New York and Ohio and will aggressively develop this territory. We need more men who can qualify as Branch Managers in these states. The entire resources and experience of this mutual old line legal reserve life company organized 60 years ago will back the men chosen. If interested write today.

JOHN M. HULL  
President

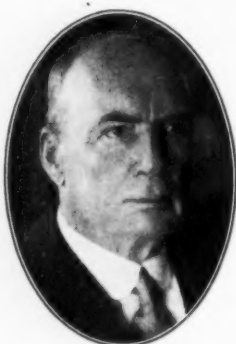
FRANK F. EHLEN  
Director of Agencies

**BUFFALO MUTUAL  
LIFE INSURANCE COMPANY**

Founded 1872

BUFFALO, N. Y.

## As the President of the Great-West Life Sees It



G. W. ALLAN

THE great institution of Life Insurance has proven to be a bulwark of strength to the whole economic fabric during the testing time of the last two years. Life Insurance has justified itself not only as protection for the individual, but as an economic balance and safeguard to the community in a most gratifying manner.

Life Insurance Underwriters have a double duty to perform in 1932.

The first is humanitarian, guiding our fellow citizens to an understanding of the necessity of safeguarding their dependents. The second, an opportunity to help our country stabilize the financial position of its citizens—with Life Insurance.

The profession of Life Insurance Underwriter is one to be proud of.

**THE GREAT-WEST LIFE**  
ASSURANCE COMPANY  
HEAD OFFICE...WINNIPEG  
CANADA



## SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

*A Dollar's worth for every Dollar paid  
regardless of kind of policy purchased*

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,961.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies. Many other forms of Policies equally attractive.

Operating in Illinois, Michigan, Indiana and Missouri

**INTERSTATE RESERVE  
LIFE INSURANCE  
COMPANY**

*A Mutual Legal Reserve Life Insurance Company*

Ten East Pearson Street : : : Chicago

## LIFE AGENCY CHANGES

### Morgan Hartford Manager

Portland, Me., Man Is Transferred to  
Succeed Holbrook—Supervisor  
Burpee Is Promoted

The Mutual Life of New York has appointed W. F. Morgan, formerly its manager at Portland, Me., as manager of the Hartford agency to succeed Manager D. G. Holbrook, on account of the latter's continued ill health. Mr. Morgan began his service with the company in Hartford, was transferred to Portland and was made manager there in 1926. He will be succeeded in Portland by C. H. Burpee, agency organizer there, who has had long experience in salesmanship and was formerly district manager of the Bangor district.

### Carlton E. Stevens

Carlton E. Stevens has been appointed Mississippi state manager of the Columbian Mutual Life of Memphis. Mr. Stevens had been superintendent of agencies for the Standard Life of Jackson since its organization. He was with the Penn Mutual Life in New Orleans before going to Jackson.

### E. P. Waggoner

With E. P. Waggoner in charge as manager and J. C. Kreinheder as chief aid, the Buffalo Mutual Life has established a branch office in its home city, with jurisdiction over all Erie, Niagara, Cattaraugus and Chautauqua counties. Mr. Waggoner has been with the company for 30 years, and is widely known throughout the western section of the state. Mr. Kreinheder too is a graduate of the head office, where he was long associated with the agency division.

### T. G. McLeod

Former Governor T. G. McLeod of South Carolina, who for the last three years has been traveling representative from the home office of the Life & Casualty of Nashville, has taken charge of the Columbia territory for that company and will make his headquarters there.

### A. J. O'Mara

A. J. O'Mara, formerly general agent at Trenton, N. J., for the Fidelity Mutual Life, has been made district manager there for the Lincoln National Life, under the supervision of the New-ark office.

### C. W. Sulier

C. W. Sulier has been appointed manager at Lexington, Ky., for the Fidelity Mutual with headquarters in the Fayette Bank building. He was born in Toledo and attended Toledo University. Until three years ago when he joined the New York Life he had been an automobile dealer.

### Two Districts at Hartford

Hartford, Conn., is now divided into two districts for the Prudential. J. E. Mahar, superintendent of that district, has been placed in charge of Hartford No. 1 and R. H. Benjamin, former superintendent at Waterbury, Conn., was placed in charge of Hartford No. 2. To fill the vacancy at Waterbury T. P. Cassidy was promoted to superintendent. He started work for the company as an agent in Stamford, Conn., on April 13, 1925. He was promoted to assistant superintendent in the same district on May 17, 1926.

### Arthur Judisch

Arthur Judisch, former leading producer at Los Angeles for the West Coast Life, has returned to that company

and will devote his entire time to personal production, working out of the Los Angeles office. He left the West Coast Life several months ago to become agency manager in southern California for the Montana Life.

### Atlas Life Appointments

The Atlas Life has been expanding its field force. L. R. McKee has been made general agent at Joplin, Mo. He was formerly with the Sentinel Life. Frank E. Vallette, formerly with the Travelers, has been made manager at Joplin, Mo., and P. W. Lockridge has been made associate general agent at Kansas City, Kan., under H. C. Buckle.

### Occidental Life Appointments

The Occidental Life of Los Angeles has appointed William Noske general agent at Colorado Springs. He had 10 years sales experience in life insurance and other lines.

J. J. Cahill is made general agent in Denver. For the last three years he has been connected with the automobile industry in that city. F. P. Wright has also been appointed general agent for Denver. He has had a number of years experience in life insurance.

R. F. McAllister of Great Falls, Mont., is appointed general agent for four counties. He has been manager of the Great Western Sheep & Wool Co. of Great Falls.

### John C. Anderson

The Life of Virginia has appointed John C. Anderson branch manager for Columbus, O., and vicinity. He has been in the life insurance business for eight years and for several years has been manager of the Fidelity Mutual for central Ohio. He is a director of the Columbus Life Underwriters Association.

### Life Agency Notes

E. S. Maurer, formerly assistant superintendent of the Prudential in Milwaukee No. 3 has been appointed superintendent of Omaha No. 2.

E. J. Newbegin, agency manager at St. Louis for the National Reserve Life of Topeka, has been made assistant agency manager at Kansas City, Mo., under Earl M. Moore.

D. W. Kemp, formerly field superintendent for the Pan-American Life, has been made general agent for the company at Houston, Tex. He was born and reared in Oskaloosa, Ia.

A. E. Bryan has been appointed district manager at Council Bluffs, Ia., for the Peoria Life. Seven counties are in this agency, which will eventually be made a branch office.

C. B. Capers has been appointed general agent of the Southeastern Life of Greenville, S. C., at Knoxville. He is a native of South Carolina and a member of one of the old families of the state.

A new agency of the Metropolitan Life to be known as the Sherman Park district has been opened in Milwaukee with David Gleich as manager. He has been assistant manager in the Jersey City Heights district, Jersey City, N. J.

The Continental Life of St. Louis has appointed three new general agents in southeast Missouri: Henry G. Bailey, formerly with the Metropolitan Life and Provident Life, at Charleston; O. F. Reed at Adance, Mo., and Alvin Papin at Chaffee.

### Spangler Territorial Supervisor

J. M. Spangler, assistant manager for the O. Sam Cummings agency at Dallas, state agency for the Kansas City Life, has been drafted by the home office as territorial supervisor. For the present he will be assigned to Texas, Oklahoma, Arkansas and Louisiana. He will maintain his headquarters with the Cummings agency and at least half of his time will be devoted to contacting Texas agents.



## AS SEEN FROM NEW YORK

By R. B. MITCHELL

### BAWDEN WITH WELLS & CONNELL

W. C. Bawden, executive manager New York City Life Underwriters Association, has resigned as of April 15 to go with the Wells & Connell agency of the Provident Mutual Life where he will devote his time to developing brokerage and surplus business. No successor has been named as yet.

Mr. Bawden became executive manager three years ago, succeeding F. P. McKenzie. In that time he has been able to accomplish, with the cooperation of the officers and executive committee, a number of improvements, including larger office quarters with a reading room, marked increases in attendance at dinner meetings and other gatherings, and the progress of the "Bulletin" to its present high place among local association organs. The "Bulletin," has been in sole charge of Mr. Bawden since January, 1931. An important section known as "The Counselor" was added to deal with legal aspects of the business.

Mr. Bawden was graduated with Phi Beta Kappa honors from Columbia in 1923. Before going with the New York

association he was in service and sales work with the New York Telephone Company and was for two years advertising manager of the F. H. Roberts Company of Boston.

\* \* \*

### PLAN FOR SPRING COURSE

Educational committees of the New York City Life Managers Association and the Life Underwriters Association held a joint luncheon Thursday, called by their respective chairmen, W. J. Dunsmore, Equitable of New York, and E. J. Sisley, Travelers, to determine the most effective ways of insuring a large attendance at the spring term of the New York University life insurance training course which opens March 29. The committees are interested not only in the general educational aspects but in encouraging as many as possible to prepare for the C. L. U. examinations in June. The plan is to have at least one underwriters from every agency in Greater New York take the course this spring. Prof. J. E. Bragg, director of the course, spoke on the work that is being done there.

## AS SEEN FROM CHICAGO

### WRENN HOST TO AGENTS

Everts Wrenn, general agent State Mutual in Chicago, entertained 30 agents of his staff at a breakfast at his home as a part of the 90-day drive being conducted by State Mutual agents throughout the country in a contest in which prize trips to the home office are offered. Mr. Wrenn was congratulated on his birthday March 16.

### TEN WEEKS' COURSE GIVEN

The R. E. Spaulding agency of the Mutual Life of New York in Chicago Tuesday evening started a 10 weeks' course of instruction, covering a wide range of subject matter. Instruction at the classes, which are held one evening a week, is being divided between Mr. Spaulding, I. B. Jacobs, educational director, and Talmage Smith, agency organizer.

In addition to elementary instruction, the courses will cover such advanced subjects as business insurance, estate problems, taxation and life insurance,

actuarial principles, annuities and their uses.

\* \* \*

### SET RECORD FOR BEARD

Agents of the Robert H. Beard agency of the Philadelphia Life in Chicago ran up a handsome total of \$453,811 of business in 121 applications in a ten-day drive in honor of Mr. Beard in celebration of his 51st birthday. Thirty-six agents participated in the record. A dinner was held attended by President Clifton Maloney of the Philadelphia Life and E. R. Hurst, agency supervisor, also from the home office. Through a miscalculation, the dinner had been planned in commemoration of Mr. Beard's 50th anniversary. Sidney S. Eckstone, new manager of the life department, presented Mr. Beard a bouquet of 50 roses grouped around a lily. Mr. Eckstone has injected life into the department in the less than a month that he has been connected with it and \$75,000 of the total was his personal business.

## LIFE COMPANY CONVENTIONS

### Western & Southern Meeting

About 400 Expected at Annual Gathering at Home Office in Cincinnati This Week

The Western & Southern Life will hold its annual convention at the home office Friday and Saturday of this week. About 400 managers, superintendents and leading agents will be present when the sessions begin Friday morning. President C. F. Williams and other officers will address the convention Friday morning. On Friday afternoon, divisional meetings will be held under the direction of the various home office superintendents. On Saturday morning sales sessions will be held and the convention will conclude with a banquet Saturday night at which the principal speaker will be Judge W. H. Lueders of the Hamilton county probate court.

### Hold 1933 Convention in Chicago

President O. J. Arnold of the Northwestern National Life announces that

the 1933 agency convention will be held at the Stevens hotel in Chicago.

### Abraham Lincoln Convention

The 1932 Rail Splitter Club convention of the Abraham Lincoln Life will be held at the home office in Springfield, Ill., Aug. 4-6. The convention attendants will visit Abraham Lincoln's home and the Lincoln monument in Springfield and will make a trip to New Salem, where Lincoln lived during his earlier years in Illinois.

### Pinkus Made Assistant

Frank Reder, northern California general agent for the Midland Mutual Life, has appointed M. B. Pinkus as assistant general agent. Mr. Pinkus was formerly with the Massachusetts Mutual. He has a splendid insurance background and is one of the leading underwriters in San Francisco. His production in February for the Midland Mutual gave him the leading position for the entire company on a paid-for basis for the month.

Chartered Life Underwriter books sold by The National Underwriter.

## PRESENTING

A NEW

## RETIREMENT INCOME BOND

Deferred Monthly Income

Cash Values

Death Benefits

Participation in Surplus

Privilege of Conversion to

Income at Earlier Age

The Mutual Benefit Life Insurance Company

Newark, New Jersey

• • MODERN LIFE INSURANCE SINCE 1845 • •

## "They're off"

A stirring cry that is echoed round the track! A big thrill comes over the spectators as down the turf rush eager well-groomed horses each seeking to be the winner.

"They're off" can also be said of Knightmen — off to make an impressive record in 1932. Backing them are the entire facilities—selling aids, service, coordination and organization of this agency.

## The Charles B. Knight Agency, Inc.

OF

THE UNION CENTRAL LIFE INSURANCE COMPANY

Charles B. Knight, President

Walter E. Barton, Vice-President

Paul S. Ranck, Secy.-Treas.

225 Broadway, New York City

### BRANCH OFFICES

Scranton, Pa.  
Utica, N. Y.  
Glens Falls, N. Y.  
Albany, N. Y.  
Schenectady, N. Y.

250 Park Avenue, N. Y. C.  
349 East 149th St., N. Y. C.  
327 Bible House, N. Y. C.  
26 Court Street, Brooklyn, N. Y.

Flushing, L. I.  
Stapleton, S. I.  
New Rochelle, N. Y.  
Malone, N. Y.  
Newark, N. J.



## "THE FRIENDLY COMPANY" ANNUAL STATEMENT

Assets	
First Mortgage Loans on Real Estate.....	\$ 4,682,283.39
Real Estate and Home Office Building.....	665,614.47
Policy Loans .....	1,676,919.51
Liberty Loan and Other Bonds.....	132,366.82
Cash on Hand.....	104,670.39
Other Assets .....	498,627.84

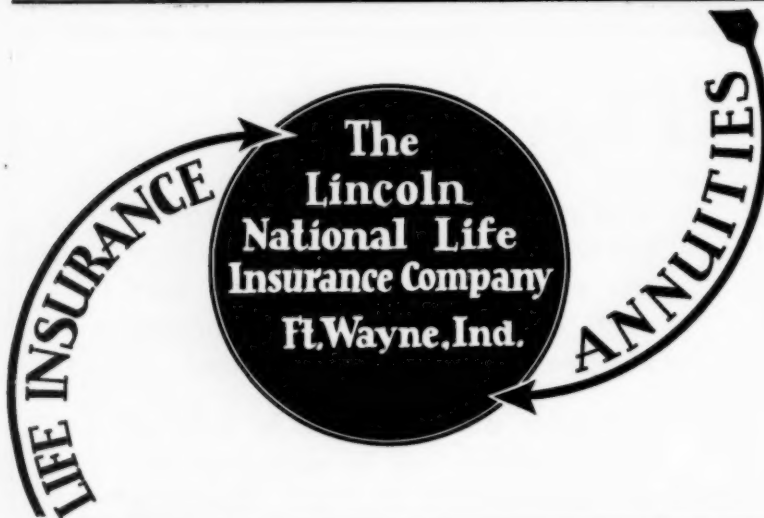
Total Admitted Assets .....\$ 7,760,482.42

Liabilities	
Reserve on Policies .....	\$ 6,502,324.47
All other Liabilities.....	278,909.52
<b>SURPLUS TO POLICYHOLDERS.....</b>	<b>979,248.43</b>

Total Liabilities .....\$ 7,760,482.42

Gross Assets for Protection of Policyholders...	\$ 7,815,821.30
Deposited with State Department.....	7,206,724.53
Surplus Protection for Policyholders.....	979,248.43
Insurance in Force January 1, 1932 (Paid Basis) .....	52,437,018.00

**PEOPLES LIFE INSURANCE CO.**  
"The Friendly Company"  
FRANKFORT INDIANA



### TRIPLE INDEMNITY LIFE INSURANCE with NON-CANCELLABLE Weekly Accident Coverage combined in ONE contract for ONE Premium

Agencies available in Conn., Del., D. C., Md., Mass., Mich., Mo., N. H., N. J., N. C., Ohio, Penna., R. I., S. C. and Vt.  
Inquire

**UNITED LIFE AND ACCIDENT INSURANCE COMPANY**  
United Life Building Concord, New Hampshire

**FORTY**  
**Unusual Plans** FOR SELLING  
LIFE INSURANCE

Leading underwriters have contributed to this unique book by J. Stanley Edwards. Price \$2.50. Order from The National Underwriter, A 1946 Insurance Exchange, Chicago.

## PACIFIC COAST AND MOUNTAIN

### Program for Training Course

San Francisco-Oakland 10-Week  
Schools Start March 21—Outstanding Men Among Lecturers

SAN FRANCISCO, March 17.—Under the joint arrangements between the San Francisco and East Bay Life Underwriters Associations, two sessions will be held each week in each city during the ten weeks' period of the new practical training course for life underwriting, according to the schedule just released by G. F. McKenna and Val Flittner, joint chairmen.

The first meeting is being held in San Francisco next Monday night. The same program will be given in Oakland the following night. The San Francisco meetings will be Mondays and Thursdays and the Oakland meetings, Tuesdays and Fridays.

The schedule follows:

1, "Organization," G. F. McKenna; "The Golden Gate to Financial Independence," B. F. Shapero, president, San Francisco Life Underwriters Association; "Qualifications of a Life Underwriter," L. F. Rice; 2, "Functions and Needs," S. I. Snortum and J. D. Burton; 3, "Organized Prospecting," H. V. Montgomery; 4, "Time Control and Self Control," George Mortenson; 5, "Advance Planning and the Approach," M. E. Goss, R. H. Mouser; 6, "The Interview—What to Say," J. B. Duryea; 7, "Organized Presentations," J. L. Taylor and E. H. L. Gregory; 8, "Handling Objections in the Interview," J. A. Sullivan; 9, "Closing the Case," Norman F. Clendenen; 10, "Instalment and Life Income Settlements," W. T. Rutherford; 11, "Following Through—Building Clientele," H. H. Hicks; 12, "Financial Independence in Old Age," A. J. Hill; 13, "Life Insurance as Property," K. L. Brackett; 14, "Business Life Insurance," Peter Murman; 15, "Educational Life Insurance," Frank W. Bland and E. L. Durrell; 16, "Deferred and Immediate Annuities," C. W. Peterson; 17, "Influencing Human Behaviors" (to be selected); 18, "Financial Independence for Women," Leila Leitner and Eva May Fleming; 19, "Trust Company

Service and the Life Underwriter," W. H. Sinclair; Examination; 20, Joint session of both associations; Award of certificates and diplomas by Gordon Thomson, vice-president West Coast Life.

### California Supervisors for United Mutual Life Named

M. H. Fuller has been appointed home office agency supervisor of the United Mutual Life of Indianapolis for southern California, having headquarters with M. M. Waddle & Son, California state managers, Los Angeles. Mr. Fuller has been with the Great Republic Life as agency supervisor and prior to that was for many years with the Western States Life.

William Waddle, a brother of M. M. Waddle, has been appointed home office agency supervisor for northern California, with headquarters at Oakland. He has had wide experience both as a producer and as an agency supervisor, with the Great Republic Life and the Occidental Life.

### Los Angeles C. L. U. Classes

The University of Southern California, Los Angeles, is offering two separate courses to aid candidates for the June C. L. U. examinations.

The first course, "C. L. U. Survey with Problems," prepared for the first installment of the June examinations, Sections I and II as listed in the outline. The class will meet each Monday at 4 p.m., beginning March 28. The second course, "Life Insurance Law," prepares specifically for Section IV, which is the third installment of the C. L. U. examinations. Instead of the usual single sessions, a double session will be held each three weeks beginning March 31, with the two final double sessions held just before the examination.

Verne Steward, 724 Security Title Insurance building, Los Angeles, is in charge.

## IN THE SOUTH AND SOUTHWEST

### Two-Year Suicide Bill Passed

Virginia House Reconsiders Adverse Action After Company Men Explain Purpose of Measure

RICHMOND, March 17.—A bill making suicide a ground of defense if the insured takes his life within two years after the policy is issued passed the Virginia legislature just before adjournment. The old law made a policy incontestable after one year in the event of suicide. When the bill came up for passage in the house after going through the senate it was voted down, 40 to 34, but was reconsidered the next day and passed 57 to 8. It developed that many of those who voted to kill it the first day did not fully appreciate the purpose of the measure. When this was made clear to them by Col. Joseph Button, former Virginia commissioner, now president of the Union Life of Richmond; E. Lee Trinkle, former governor of Virginia, vice-president Shenandoah Life; A. D. Christian, counsel for the Atlantic Life, and Bolling Handy, president Mutual Life of Richmond, members of a committee representing the life companies, they readily agreed to change their votes and support the bill.

Another bill was passed, under which domestic life companies are not permitted to invest reserves in common stocks. Only the excess above the minimum requirements of capital and surplus may be invested in such stocks.

### Terminate Disability Income

Operation of Country Store and Large Plantation Held to Be Gainful Occupation

Operation of a country store and a 400-acre plantation has been in the past regarded as a gainful occupation, the Arkansas supreme court ruled in reversing an award against the Missouri State Life to James H. Snow, who received disability payments from December, 1924, to July, 1929, on his claim of incapacity because of ankylosis of the right hip. The company concluded his period of disability had terminated, and the record showed he was operating a store and plantation near England, Ark.

"Such an occupation has been regarded as gainful in the past, whatever might be said to the contrary in the last year or two," the supreme court said in its opinion. "While it is true Snow can not get around as well as he formerly did, it was shown he waited on customers in the store, drove his car and attended to business generally."

### All American Elects Officers

Neal Ainsworth is reelected president of the All-American Life of Amarillo, Tex., with R. E. Underwood as first vice-president and general counsel; W. T. Noble, second vice-president; E. R. Biggs, secretary-treasurer; J. B. Woodward, assistant secretary, and Dr. R. L.



Vinyard, medical director. All are residents of Amarillo.

Although the company has been in operation only since April, 1931, it has already written \$2,000,000 in business. It was voted to increase the capital from \$100,000 to \$150,000. The company also divided its territory into two districts, with W. S. Nolan and Ben F. Kelly as agency directors.

### Must Pay Property Tax

OKLAHOMA CITY, March 17.—Payment of entrance fee, the 2 percent on premiums, agents' license, or other such fees, are not a substitute for or in lieu of all other taxes, the Oklahoma supreme court held in the case of the

New York Life vs. Board of County Commissioners of Oklahoma County. It holds that office furniture of the company is subject to ad valorem tax as personal property.

The case has been in the court for several years. The first opinion held that this property was not subject to tax and interpreted the words "in lieu of all other taxes" to mean what they said. Rehearing was later granted and the court's construction now is that the payment of entrance fee, the 2 percent on premiums and agents' license goes only to the extent of the privilege of the company to do business in the state—a sort of occupation tax—and does not affect its liability to an ad valorem tax on personal property.

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

### Has Novel Disability Clause

Northwestern National Brings Out Accident-Only Form—Revises Old Provision and Waiver

The Northwestern National is issuing a new type of disability provision, providing monthly benefits of \$10 per \$1,000 for total and permanent disability resulting from accident only. It also provides for waiver of premiums in event of disability resulting from either accident or illness, and carries double indemnity. A revised waiver of premium and revised total disability clause also are brought out, effective March 15.

#### What New Clause Provides

The revised disability clause provides for waiver of premiums and benefits of \$5 per month per \$1,000, with six months waiting period, payments to accrue from end of fifth month. Disability must occur prior to age 55 for men and 50 for women. In the accident disability clause, waiting period is six months, with benefits accruing from end of fifth month, however, the clause covers disability occurring before age 60, and women are insured on the same basis and rates as men. The waiver clause requires disability to occur prior to age 60 for men and 55 for women, and the same waiting period is imposed.

The table shows annual rates for the new accident income benefit compared with those for the revised disability income with double indemnity added (the accident disability benefit not being issued without double indemnity):

Form	25	35	45
New Clause	\$3.28	\$4.35	\$3.97
Rev. Clause	\$5.30	\$5.34	\$7.06
End. 85.....	3.89	5.29	4.05
20-Pay-End. 85.....	3.89	5.29	4.05
30 End. ....	2.95	3.68	3.86
	4.99	5.35	6.99

### Wisconsin National's Plan

Substitutes Noncancellable Income Policy for Monthly Payment Disability Clause in Life Contracts

The Wisconsin National has substituted a non-cancellable income policy for its income disability clause. It sells for approximately the same premium as the regular disability clauses of life companies but pays for loss of time by accident or illness both total and partial. The company states that in its belief this feature is properly a casualty line and should be handled by the casualty department. This allows a more careful selection from the accident and health standpoint with the aid of a life insurance examination. The policy pays \$10 per \$1,000 monthly eliminating the first three months. The insured may also purchase a \$15 monthly income with \$1,000 life insurance. The income continues during disability until the aggregate sum has been reached. This aggregate sum is on the basis of \$1,000 per \$10 monthly indemnity. Waiver of premium on this supplement begins after six months and is not included in the aggregate indemnity.

Age Prem.	Age Prem.	Age Prem.
15.....\$2.25	30.....\$3.06	45.....\$4.36
20.....2.52	35.....3.41	50.....5.06
25.....2.77	40.....3.85	55.....5.91

#### Sun Life of Canada

The Sun Life of Canada has modified its dividend scale and according to authoritative advices for the dividend year beginning April 1 will pay on the basis of a level approximately 65 percent of the 1931 schedule. Comparative figures for various policy forms are not at hand but the Sun is expected to issue a bulletin soon.

Act without delay and you can get 20 accident and health diagrams and picture selling pages by sending 50 cents to The National Underwriter Company at 420 E. Fourth St., Cincinnati.

## MANAGERS' ASSOCIATION NEWS

### Twisting in Detroit Reduced

Booklet Issued by Better Business Bureau and Managers Association Called Factor in Improvement

DETROIT, March 17.—The booklet, "Life Insurance Facts," issued by the Detroit Better Business Bureau at the request and with the cooperation of the business practices committee of the Associated Life General Agents & Managers of Detroit, has been widely distributed both by the bureau and by the

general agencies and branches in this area, with a consequent improvement in the twisting situation and a reduction in the number of complaints made.

Inquiries concerning life companies and policies are being received at the rate of about 15 per day by the bureau, mostly concerning the standing of the various companies or concerning the advisability of cashing in on policies. The few complaints against agents have been found to be in most instances simply misunderstandings, says Manager H. B. Thompson, who believes that business practices in the insurance industry here

## New Features of Protective Life's New Rate Book

(Published March 1, 1932)

Modern Policies  
Geared to Modern Needs

1. Optional Term to Age 65
2. Investment Income Bond
3. Family Income
4. Single Premium Policies—Life, Endowment, Annuities
5. Life Expectancy
6. Endowment Annuity
7. Children's Insurance
8. Thrift Policies
9. New Combination Accident Benefit
10. Preferred Risk Policies

Insures from birth to age 65. Participating and non-participating. Non-participating policies become participating when paid up. Interest dividends allowed on funds left on deposit with the company. Rated "Excellent" by Best. Now celebrating its Silver Anniversary.

**Protective**  
LIFE INSURANCE CO.  
BIRMINGHAM, ALABAMA.  
S. F. Clabaugh, President

## Connections with United Mutual

are becoming more and more valuable every day . . . and opportunities still exist for capable General Agents and Field Men in some states

During the last few months a number of the most highly regarded General Agents in their territories have signed contracts with the United Mutual Life Insurance Company. Field Men of outstanding prominence, known for their production records, have also made United Mutual connections. The opportunity is a real one.

### National Magazine Advertising

Powerful advertising in National Magazines is making the American public familiar with the outstanding advantages of United Mutual's policies. This advertising campaign is covering the wide variety of United Mutual insurance plans and is helping United Mutual representatives in their selling.

### Safeguarded Life Insurance

United Mutual Life Insurance Company, chartered under Special Act of the United States Congress, has insurance in force amounting to more than \$100,000,000. Assets are more than \$26,000,000 and more than \$69,000,000 has been paid to beneficiaries named in its policies. United Mutual has always paid good dividends. Its investments are safeguarded.

### Personal Interviews Arranged

Personal interviews will be arranged with qualified applicants for United Mutual connections. Give complete information as to your record and ability, in first letter. All correspondence will be held in strictest confidence.

## United Mutual Life Insurance Company

Harry Wade, President

941 North Meridian Street Indianapolis, Indiana



## ACTUARIES

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Barrett N. Coates Carl E. Herfurth

#### COATES & HERFURTH CONSULTING ACTUARIES

114 Sansome Street 437 So. Hill Street  
SAN FRANCISCO LOS ANGELES

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Telephone State 7298  
CHICAGO, ILL.

#### L. A. GLOVER & CO.

Consulting Actuaries  
128 North Wells Street, Chicago  
Life Insurance Accountants  
Statisticians

#### J. Charles Seitz, F. A. I. A. CONSULTING ACTUARY

Author "A System and Accounting for a Life Insurance Company."  
Attention to  
Legal Reserve, Fraternal and Assessment Business—  
Pensions  
228 North La Salle Street  
Phone Franklin 6359 Chicago

### INDIANA

#### Haight, Davis & Haight, Inc.

Consulting Actuaries  
FRANK J. HAIGHT, President  
Indianapolis, Omaha, Kansas City

#### HARRY C. MARVIN

Consulting Actuary  
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INDIANAPOLIS, INDIANA

### MISSOURI

#### ALEXANDER C. GOOD

Consulting Actuary  
615 Trust Co. Bldg., Jefferson City,  
and  
800 Securities Building, Kansas City

### NEW YORK

#### MILES M. DAWSON & SON

CONSULTING ACTUARIES  
500 Fifth Avenue New York City

## 12 ATTRACTIVE PICTURES AND SALES CAPTIONS 12

that help you sell more  
insurance

Send 10 cents today and get a sample  
of the NEW 1933 National Under-  
writer Insurance Calendar, A-1946 In-  
surance Exchange, Chicago.

are better than in most selling industries.

### Hear Attorney at Los Angeles

At the luncheon-meeting of the Life Managers Club of Los Angeles March 14, Joseph D. Brady, Los Angeles attorney, discussed at length the rights of beneficiaries of life insurance policies under California laws. Following his talk Mr. Brady invited questions on the subject and answered inquiries made by the various life managers and general agents.

### St. Paul "Ad" Plan

ST. PAUL, March 17.—Cooperative advertising in local newspapers for several months has been virtually decided upon by the Life Managers Club, which was called together to hear a proposal from the publisher of one of the papers. Members agreed tentatively to contribute to a fund which will be used to point out to the public the advantages of buying life insurance. This will be

the first time such a plan has been carried out here.

### Carreau Heads Montreal Managers

MONTREAL, March 17.—At the annual meeting of the Life Insurance Managers Association of this city, the following officers were elected: President, John Carreau, Crown Life; vice-president, Charles E. Young, Canada Life; treasurer, F. W. Benn, Confederation Life; directors: Percy Douglas, Prudential, and J. T. Bourgeois, Capital Life.

### Ottawa Managers Organize

With a membership embracing most of those in Ottawa, Can., eligible for enrollment, a Life Managers Bureau has been formed with W. D. Burden of the Canada Life as president. Other officers are: G. C. Stevenson, Great-West Life, vice-president; H. S. Racine, Capital Life, secretary-treasurer; Norman Haugh, Metropolitan Life, and W. R. Gunn, Dominion Life, executive committee.

## NEWS OF LIFE ASSOCIATIONS

### Record Attendance in Boston

#### Notable Program at Sales Congress There Draws 1,000 Life Underwriters from All Over New England

Enrollment of more than 1,000 New England life underwriters marked the annual sales congress of the Boston Life Underwriters Association. An especially attractive program and a special effort to secure a representative attendance from all parts of New England proved highly successful in securing the largest attendance ever recorded for a New England sales congress.

Charles C. Gilman, National Life of Vermont, nationally known as a speaker, was chairman of the general committee and presided at the afternoon session. V. W. Kenney, president of the Boston association, was the morning chairman.

The congress opened with an inspirational address by Rev. Frederic Olsen of Kittery, Me., after which the conference settled down to some live sales talk and educational addresses.

The day's program, broken by a lunch at noon, called for addresses by C. G. Taylor, vice-president of the Metropolitan Life and former counsel of the Life Presidents Association; Dr. S. S. Huebner, American College; R. C. Ellis, general agent Home Life, New York City; H. J. Johnson, general agent of the Penn Mutual, Pittsburgh; Sam Vogelsson, leading Equitable writer in Philadelphia, and John L. Shuff, former general agent of the Union Central in Cincinnati and former president of the National Association of Life Underwriters.

Asheville, N. C.—Many business men have been saved from "going broke" during the present business depression because of the cash value in their business insurance policies, Leon Gilbert Simon of New York told the Asheville association in his address on "Business Insurance." He spoke especially of the rapid increase in the amount of business insurance written for small partnerships and corporations.

On his North Carolina trip Mr. Simon spoke at Charlotte and Greensboro in addition to Asheville.

Toledo, O.—Four outstanding leaders are to speak at the sales congress of the Toledo association Saturday. Elbert Storer, president of the National association, will speak on "Life Insurance as Property." A. P. Steler, Mutual Benefit Life, Detroit, on "The Advantage of Organized Effort"; D. J. Bloxham, Hartford, Conn., supervisor agency field service work of the Travelers, "The Modern Viewpoint of Modern Life Insurance," and R. S. Coolidge, president of the Cleveland association, on "The Interview."

### Headliners at Syracuse Meet

#### Hull, Simon and Murphy Give Talks— Business Insurance Problems Dis- cussed in Open Forum

The Syracuse Life Underwriters Association staged a "miniature sales congress" at its March meeting. Roger B. Hull, managing director National association, gave his address on "The Road Back to Security, the American Plan"; John S. Murphy, sales manager Clay Hamlin agency of the Mutual Benefit in Buffalo, described the Hamlin "Definitizer"; F. J. Seefurth, Seefurth Service, evaluated direct mail campaigns as the most efficient and economical method of prospecting, and Leon Gilbert Simon, Equitable Life of New York, New York City, closed the meeting with an open forum on the application of life insurance to business problems and needs.

Mr. Murphy described the "Definitizer" as that which puts a man on a definite basis and keeps him there. He pointed out seven fundamentals necessary to success: an objective in life, plans, prospecting, time schedule, selling, records and analysis and conclusions. He recommended the adoption of a prospect inventory which would include only those prospects that can be sold in 30 days time; evening work every week as far into the week as necessary to produce that week's quota; one definite sales canvass; a daily record and an honest analysis at least once a week.

### Expect 4,000 Attendance at Tri-State Sales Congress

PHILADELPHIA, March 17.—The Tri-State sales congress here March 24 will have attendance close to the 4,000 mark.

The program, built around the theme "Organizing the Seller to Sell," follows:

#### Morning Session

"Is C. L. U. a Badge of Merit?" W. A. Craig, vice-president Philadelphia C. L. U. chapter.

"A. I. R. Route," W. H. Beers, general agent New England Mutual, New York.

"The Last Remaining Adventure," W. Tresckow, Central Hanover Bank & Trust Company, New York.

"Steps in the Sale," J. L. Wood, National Cash Register Company.

#### Luncheon and Trust Forum

"Our Problem," M. Nelson Bond, general agent Travelers, Baltimore.

Open forum on current trust problems,

W. B. Bullock, trust officer Provident Trust Company, Philadelphia, presiding.

#### Afternoon Session

"Organizing Yourself," James A. Griffin, assistant agency manager, Phoenix Mutual.

"Partnership and Business Insurance," A. H. Kollenberg, Mutual Benefit, Grand Rapids.

John W. Yates, Detroit general agent, Massachusetts Mutual.

T. J. Grayson, University of Pennsylvania, will be toastmaster at the banquet. Speakers will be F. W. Stites and Con McCole. Dancing will follow.

#### \*\*\*

Birmingham, Ala.—"Business can get some ideas from the principles that govern the life insurance field," F. L. Jones, vice-president Equitable Life of New York and former president of the National association, told the Birmingham association. "In life insurance there are no depressions because the business is regulated on two cardinal principles—the average length of life and an average interest on money. This explains why life insurance can pay dollar for dollar while other businesses cannot," Mr. Jones said.

"When business adopts the long-time policy that regulates life insurance, then the depressions will be eliminated. We will not live to make a fortune one year, only to lose it the next, but production will be so regulated that we operate throughout our life on an even keel, without the ups and downs."

#### \*\*\*

Mississippi—Good husbands were praised but were warned not to be too indulgent to the extent of not providing ample insurance protection for their families in an address before the Mississippi association in Jackson by Mrs. W. S. Pritchard, department of the American family, National association. She also addressed club women of Jackson on the same subject. She went to Monroe, La., from Jackson, continuing her trip to the Pacific Coast.

#### \*\*\*

Lincoln, Neb.—Mrs. W. S. Pritchard of the executive staff of the National association is to be the guest of honor at a dinner April 14 tendered by the insurance subdivision of the Lincoln chamber of commerce, in connection with the Lincoln Women's club. Later in the evening she will speak to the Lincoln Business Women's organization.

#### \*\*\*

Oklahoma—The March meeting of the Oklahoma association at Oklahoma City was devoted to current problems. New ideas were presented on "How to Sell the Interview" by T. M. Green, agency director George E. Lackey agency, Massachusetts Mutual. Marmaduke Corby, general agent for the Central States Life, spoke on "Prospecting."

#### \*\*\*

Dayton, O.—R. B. Hull, managing director National association, addressed the Dayton association Monday on "The Road Back to Security—the American Plan."

#### \*\*\*

Indianapolis—The play, "What Price Policy Loans?" which was produced at the last convention of the National association, was given by the Indianapolis association in the auditorium of the American Central Life. C. C. Robinson, editor "Insurance Salesman," managed the production.

C. M. Biscay, advertising manager Western & Southern Life of Cincinnati, will address the Indianapolis association on "Life Insurance—the Means to Save With Safety," March 25.

#### \*\*\*

Northern New Jersey—Leon Gilbert Simon of New York will address the Northern New Jersey association in Newark April 11 on "Business Insurance."

#### \*\*\*

St. Louis—J. S. Drewry, Cincinnati general agent Mutual Benefit Life, addressed the St. Louis association March 17 on "Why People Buy Life Insurance."

#### \*\*\*

Northwest Texas—The monthly meeting of the Northwest Texas association was held at Amarillo, with 28 members present. Floyd Studer, vice-president Texas association, outlined plans for the essay contest. Short talks were made by several members and a committee was authorized to investigate a plan for intensive life insurance advertising.

#### \*\*\*

Muscatine, Ia.—The Muscatine association held its election of officers last week with the following results: President, Carl F. Borchardt; first vice-president, F. P. Whicher; second vice-pres-



dent, F. M. Ziegler; secretary, James Colodi; treasurer, F. G. McCullough. Ernest Moore is the retiring president.

**Fort Dodge, Ia.**—D. P. Smith, district manager Central Life of Iowa, spoke at the March meeting of the Fort Dodge association on "The Productive Periods of Life and the Application of Life Insurance to Those Needs."

**Ottawa, Can.**—At the March meeting of the Ottawa association L. L'Esperance, Imperial Life of Canada, Montreal, spoke on insurance as the one way to help rebuild the estates depleted by the depression, and stated that underwriters are in a favorable position in having that basic fact as a sales argument.

**Wichita, Kan.**—The Wichita association has elected as its new directors William Loveland, Harry Stanley, George Mauss, O. L. Smith, Cecil Dean, Emmett Ireland, Herbert Bamford, O. L. Hill and C. A. Runyan. Officers for the new year will be selected from this group. Harry Stanley, Equitable of Iowa, is the retiring president.

**Charleston, W. Va.**—It is planned to hold a sales congress in Charleston in May. The Charleston association started this at its meeting. D. W. Baird of Wheeling, manager Penn Mutual Life, gave the address at this gathering.

**Southwest Texas.**—At the Southwest Texas association's monthly meeting at San Antonio, J. I. Kercheville, a local attorney, spoke on sensible restriction of taxation and the need of honesty in municipal government. He emphasized the need for an appreciation of honesty by the youth and the voters.

It was decided to present the play, "What Price Policy Loans?" at the next meeting.

**Chicago.**—Dean R. E. Heilman of the school of commerce of Northwestern University, will speak at the March 23 meeting of the Chicago association on "Business and Education." Dean Heilman formerly was a member of the faculty of Harvard and in 1929-1930 was chairman of the ways and means committee of the Chicago Association of Commerce.

**Madison, Wis.**—Paul W. Cook, Chicago, instructor of agents for the Mutual Benefit Life, addressing the Madison association, said life insurance is a business of ideas and that insurance selling is a study of the human values of life and business. "As in any other business, a push forward by all is the thing that will give you your goal," he declared.

**Toronto, Can.**—Harry D. Wright, third vice-president of the Metropolitan Life and general manager for Canada, addressed the Toronto association Thursday. He started with the company as an agent in 1898 in St. Louis. At one time he was superintendent of agencies for the middle west, then superintendent for the Pennsylvania territory. Then he was sent to Canada in his present position. In 1921 he was located at the University of Denver for three months to give 82 lectures on insurance. He spoke on "Present Day Opportunities for the Life Underwriter."

**Lexington, Ky.**—R. B. Hull, managing director National association, addressed 80 insurance salesmen of Lexington and central Kentucky at a banquet here. Mr. Hull said the only way the nation can succeed is to build a solid economic foundation against the next depression by thorough individual provision for its future.

**Richmond, Va.**—John A. Stevenson, vice-president Penn Mutual Life, guest speaker at the March meeting of the Richmond association, said a vigorous, determined revival of life insurance salesmanship, based on the stimulating policy of enthusiasm and practiced along recognized effective lines, is needed. "Don't worry about the business depression," he said, "but revive the spirit of selling definite protection for women and children and sound protective investments for men. If you do this, beneficial results will be reflected." He suggested that 30 hours a week be spent in the field and 10 hours in the office. In that period the agent should be sure to interview at least 18 prospects.

**Milwaukee.**—A. R. Jaqua, assistant editor of the Diamond Life Bulletin, published by The National Underwriter, spoke before the Milwaukee association Thursday of this week on "Life Insurance as an Investment."

## A. L. C. to Oppose Revenue Measure

(CONTINUED FROM PAGE 1)

from a study of the latest available statistics on life insurance.

The tax bill has already been reported favorably by the House ways and means committee and there is grave danger that it may be passed unless the members of the House and Senate realize the dangers it presents to the life insurance industry.

The convention's tax committee is headed by General F. W. McAllister, vice-president Kansas City Life. The members are: C. L. Ayres, president, and Claris Adams, executive vice-president American Life; George Graham, vice-president Central States Life; F. V. Keesling, vice-president West Coast Life; C. Petrus Peterson, general counsel Bankers Life of Nebraska, and Dr. E. G. Simmons, vice-president-general manager Pan-American Life.

### Reserve Deduction Main Factor

The main factor in increasing the income tax burden of life insurance companies is the amendment to the old revenue law touching on percentage of deduction on the mean reserves from 4 to 3.5 percent. The percent on reserve funds in the tax law is there in recognition of the necessity to protect from taxation the amount of interest earned necessary to the maintenance of the legal reserves of the companies. The rate of interest in use in connection with reserve funds of life insurance companies varies, being based on the method of operation and the type of policies. The rate in most general use for current policies is 3.5 percent. So the lowering of the deduction on the mean reserves is a direct menace to the fundamental soundness of life insurance that the industry must not permit if at all possible. Congress should know that life insurance funds are the most sacred savings that real men build for the protection of their widows and orphans and can not be shaved for mere political expediency.

## Plan Beautiful Exhibit of Insurance at 1933 Fair

(CONTINUED FROM PAGE 1)

some means used to teach the lesson that workmen's compensation is invaluable. Other exhibits may cover automobile accidents from the angle of emphasizing their tremendous increase, and frequency of losses by burglary, hold-up, personal accidents from many causes, etc., is to be emphasized.

Marine insurance, it is suggested, could be presented in a series of historical exhibits, as this is the oldest type of insurance. Perils of the sea would be one topic. Types of inland marine would be presented; also such coverage as on jewelry and furs, tourist baggage, parcel post, money and securities by registered mail will be brought to public attention.

### Surety-Fidelity Exhibit

In the surety and fidelity field it is recognized that some difficulty might be experienced in depicting the idea in a visual display, but it is proposed that the far-reaching effect of such bonds in their relation to modern business be shown, together with the fact that banks and brokers are protected against forgery, defaulters, loss through dishonest employees, etc. The function of guaranteeing fulfillment of contracts and completion of building projects may be shown through graphs or charts.

The exposition officials state, "In viewing the subject of exhibits dedicated to various branches of insurance, it has been deemed much more desirable to reach the public through the combined efforts of associations and organizations in the different lines of insurance endeavor instead of through separate companies or agencies, inasmuch as the primary aim of A Century of Progress is

(Provident Tools No. 14)



## STRONG FINANCIAL POSITION

With increases in assets, premiums, and insurance in force during 1931—

And with an increase in new business for the last six months—

And with \$18,709,000 of contingency reserves—

Provident Mutual agents find their Company's strong financial position is a real asset in selling insurance in times like these.

**Provident Mutual**  
Life Insurance Company of Philadelphia

Founded 1865

## THE FORMULA OF SUCCESS

**L**IFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

**THE MUTUAL LIFE OF NEW YORK**, with its long history of increasing success, offers opportunity. It writes Annuities and all Standard forms of life insurance. Double Indemnity Benefits. It has many practices to broaden and expedite service for Field Representatives and for Policyholders.

Those contemplating engaging in life insurance field work as a career of broad service and personal achievement are invited to apply to

## The Mutual Life Insurance Company

of New York

34 Nassau Street

New York, N. Y.

**DAVID F. HOUSTON**  
President

**GEORGE K. SARGENT**  
Vice-President and  
Manager of Agencies

## ARE YOU AWAKE TO OPPORTUNITY

Life Insurance Men of Vision Know That the Greatest Opportunity

Is with the Company That Is

**NOT TOO LARGE**  
**NOT TOO SMALL**

**NOT TOO OLD**  
**NOT TOO YOUNG**

The Solid Growing Company Officered by Men Who Are Agency Minded

### WE HAVE THE TOOLS

Participating and Non-Participating Policies—Men and Women on Equal Terms—Total Disability and Double Indemnity

Circularization Aids — Supervisor's Help — Direct Contracts, Human Relations, Liberal Contracts and Special Producer's Clubs

If You Are Ready for a General Agency There Is Desirable Territory Open in IOWA—NEBRASKA—MINNESOTA—AND SOUTH DAKOTA

## THE OLD LINE CEDAR RAPIDS LIFE INSURANCE COMPANY

Jay G. Sigmund—Vice-Pres. & Agency Director  
**COL. C. B. ROBBINS, Pres.** **C. B. SVOBODA, Secy.**  
CEDAR RAPIDS, IOWA

that of education and not the advertising of any one company or corporation in any line of business."

Estimates as to cost have not been made public but it is assured that the total expense to insurance would be a ridiculously low sum; in fact, only a small fraction of the amount spent individually by national advertisers, and the cost per company would be an inconsequential amount.

It is emphasized that exhibits by individual companies over their names would destroy the basic idea.

### Life Insurance Selling Theorems Held Workable

The following theorems of life insurance selling have been approved as true and workable by the men of the Michigan state agency of the Lincoln National Life. The approval was registered by means of a questionnaire recently sent out. The "theorems" are:

1. Every local claim settled should result in at least two sales.
2. Ten calls should result in at least three interviews and one sale.
3. Two hours face to face with a prospect should be preceded by at least as many hours in studying and preparing for these interviews.
4. Securing introduction cards from policyholders makes possible a 50 percent increase in the value of the prospects secured.
5. Ten "suspects" which will yield three prospects can be gained every day from your local newspaper.
6. An agent who is active in the public and civic work of his town will average 25 percent greater production on larger policies than the man who is not so active.
7. It is possible to cut down lapse ratio and increase the ease with which business is placed by selling the wife of the prospect.
8. Business has a habit of following completed sales presentations.

**\$1,000 to \$1,600**

**Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000**

*Of course issued in larger amounts*

**ALL PREMIUMS RETURNED**

**in addition to face of policy in event death before age 60**

**FULL FACE THEREAFTER AND PREMIUM REDUCED 20%**

**Original cost, age thirty, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter**

**Write for Sample and Particulars**

*This is one of many unique contracts issued by*

**Federal Union Life**  
FRANK M. PETERS, President  
Cincinnati, Ohio

### THE COLONIAL LIFE INSURANCE COMPANY of America

**33 Years in Business—Incorporated 1897 Under Laws of New Jersey**

**OPERATES UNDER SUPERVISION OF INSURANCE DEPARTMENTS OF NEW JERSEY, NEW YORK, PENNSYLVANIA and CONNECTICUT states**

*Industrial Policies from Birth to Age Sixty-Five—Ordinary Policies from Age Fifteen to Age Sixty*

**Opportunity for Men of Character and Ability**

**HOME OFFICE—Jersey City—New Jersey**

# AGENCY MANAGEMENT

## Heightened Selling Resistance Brings Supervisor Into His Own

NEW YORK, Mar. 17.—Heightened sales resistance is bringing the agency supervisor into his own again, according to J. M. Fraser, New York, general agent Connecticut Mutual Life.

The services of the supervisor in helping out with difficult cases were considerably less in demand back in the prosperous days two years and more ago. Selling life insurance called for less ingenuity and less genuine knowledge of life insurance. There was a good deal about insurance selling that was just so much order-taking.

### Supervisor Used to Go Out With Agents

This is not to say that real salesmanship was not exerted in the good old days, but what there was went a lot farther than it does now. It was possible for a mediocre salesman to make a pretty good living. He didn't need any help to close his tough cases because he didn't bother with the recalcitrant prospects. He always knew where he could find one that didn't have to be roped and thrown before he would sign up.

Mr. Fraser is well qualified to talk on the work of the supervisor for he was for many years supervisor of the agency of which he is now general agent. In the decade preceding the recent boom a supervisor frequently had to go out with his agents and close business for them or the agent wouldn't get the case. In the years of inflation and prosperity that followed insurance selling became so much easier that the supervisor's advice and help were less sought after. Since the fall of 1929, however, it has required real salesmanship to do business

and the help of the supervisor in closing sales has been welcome and highly essential.

Mr. Fraser's enviable reputation as a closer of important cases has been enhanced by his recent negotiating of a \$2,000,000 policy on the life of R. W. Howard, chairman of the board of the Scripps-Howard newspapers.

### Good Will Worth More Than Commission

Although he is frequently asked by brokers and even by agents of other companies to handle cases for them, Mr. Fraser finds that the good will value of his services is worth far more to his agency than anything he could ask in the way of sharing commissions.

The scope of a good supervisor's capacity for service to agents and brokers is extremely wide. He knows not only how to get the signature of a reluctant or dilatory prospect but he knows what kind of companies take which kind of business and where he can put it through with the least delay.

### Many Ways Supervisor Can Render Real Service

Although companies are theoretically supposed to do their underwriting in a coldly scientific way, as a matter of fact they have their idiosyncrasies when it comes to details. One company will often issue a policy standard to a risk which another company would rate up or reject and yet the second company may be far more liberal than the first in some other respects. It is up to the supervisor to know these things and the one who does soon gets a reputation for rendering a real and valuable service.

## Thorough Conservation Program Used by Wells & Connell Agency

NEW YORK, Mar. 17.—While it is common knowledge that the policyholder who pays his premiums on a quarterly or semi-annual basis is much more likely to lapse than the annual premium-payer, the natural supposition is that the cause lies more in the class of individual who has to buy on the quarterly basis than in the fact that premiums are paid four times a year instead of one.

However, the Wells & Connell agency here of the Provident Mutual Life, in conducting a thorough-going conservation program, has found that the same policyholder is much less likely to lapse if his insurance is converted from a quarterly or semi-annual basis to annual. The result is that the keystone of the agency's conservation work is a

constant effort to convert semi and quarterly business to the annual basis wherever possible.

### Bonus Is Offered for Conversion to Annual Basis

Since the lapse rate for quarterly business is from three to four times as bad as on annual, to say nothing of the clerical expense involved in handling four collections a year instead of one, the agency has found it eminently worth while to establish a bonus system for its cashier's department by which members are rewarded for all business that it converts to an annual basis. The first year this system was in effect about 50 policies a month were changed through the efforts of the cashier's department alone.

The collection cost is important, particularly in an agency operating in a metropolitan center, for Messrs. Wells and Connell estimate that a premium payment must be at least \$48 if they are to break even on their collection cost allowance.

### Costly to Work on Quarterly Basis

In its efforts to keep all possible business on the books the agency has a well worked out system of notifying agent and policyholder, but one which is fairly costly when premiums are divided four ways, for the same work must be done for each premium notice, whether it is for a large or small amount, and usu-

ally the smaller it is the more work is necessary to round it up.

The agent is notified at the beginning and ending of the days of grace. The policyholder receives his first notice and a second one ten days before the days of grace have expired. Then, if he has not paid by that time, a notice is sent telling him that the grace period has run out. Efforts do not stop there, however. The agent has been notified and gets busy on the telephone or makes a personal call. The cashier's department also employs the telephone. Since many policyholders live in the suburbs the telephone bill is no inconsiderable total.

### Most Business Saved After Agent Gives Up

It is found that a considerable amount of business can be saved after the agent says that nothing further can be done. Messrs. Wells and Connell find that there is a greater public appreciation of life insurance than ever before, that policyholders are genuinely unwilling to lapse their insurance and are willing to go to a good deal of trouble to keep it in force.

Intelligent prospecting has never been so important as now, for it has a very direct bearing on conservation. If it is good conservation technique to convert business from a quarterly to an annual basis, it is even better to write it annual at the start. Term or preliminary term business also seems to invite lapsation and hence is less desirable than ordinary life or higher premium forms.

### R. B. Nelson Married

Roy B. Nelson, conservation field manager for the Lamar Life, and Miss Margaret Roberts of Doddsville, Miss., were married Saturday.

Do you want some sheets for your own sales builder? Send 50 cents to **The A. & H. Bulletins**, 420 E. Fourth St., Cincinnati, and 20 selling sheets will go forward to you by return mail.

### GENERAL AGENCY OR POSITION AS AGENCY MANAGER WANTED (Preferably in Michigan)

By progressive, ambitious Manager, age 36, six years successful experience as salaried manager, now employed, can give satisfactory reason for changing. Address W-16, The National Underwriter.

## WRITE MORE ACCIDENT and HEALTH BUSINESS

**The Accident and  
Health Review tells  
you how.**

**Send coupon today**

**The Accident & Health Review**  
A1946 Insurance Exchange  
Chicago, Illinois

**Send me The Accident & Health Review for one year at \$2.**

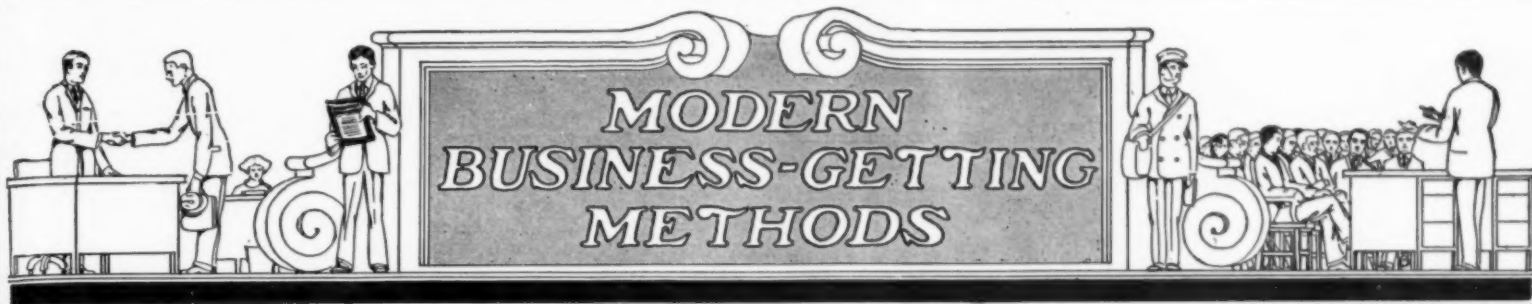
☐ Here's my check. ☐ Send bill.

NAME .....

ADDRESS .....

CITY ..... STATE .....





## Engelsman Interviews Engelsman at Sales Congress in Cleveland; Stimulating Answers are Given

Ralph G. Engelsman, New York City general agent for the Penn Mutual, addressed the Cleveland sales congress in the Socratic style, interviewing himself on various features of the business.

"How do the present day conditions affect life insurance selling?" Mr. Engelsman asked Mr. Engelsman.

"In times of depression, with the public having less money, life insurance is harder to sell than when times are good. It takes more interviews—more calls and more sales talks to make a sale than ever before. It requires more ingenuity, more thinking, more knowledge.

"I believe that selling insurance today requires better prospecting than ever before.

"It is my contention that even in times of depression, there is still someone, in every line who is making money—someone who says, 'There still is business and I am going to get more than my share of it while the others lay down on the job.' The trick is to find that someone and a little extra care in prospecting will do the job.

### Find Out What Firms Are Successful Nowadays

"Talk to your policyholders about their own line and ask them point blank what firms in their line seem to be getting along best at this time. Find out who the head of that successful firm is, go and see him. Go to see the salesmen, and so on down the line. Use some ingenuity about the small prospects too. For instance, very few teachers have had their salaries reduced. Many employees are still earning proportionately what they did before. They are still good prospects.

"I believe that because business is hard to get the field will be cleared of many undesirable agents for it is only the man who knows insurance, has vision, and does careful planning, who gets the business these days.

### Five Leaders' Production Increased Last Year

"The five leading men in my agency in 1931 had better years than they did in 1930 and one of these men, a million dollar writer, does most of his business in Wall Street. Each one plans his work carefully, looks for needs to uncover, makes people dissat-

isfied with their present insurance program and succeeds in putting more business on the books.

"On the other hand, the men who are just trying to sell life insurance as they did in the days of 1929 when all you had to do was to walk into an office and say, 'You want some life insurance, don't you?' are way behind.

"Do you believe life insurance should be sold as an investment?"

"The best answer I can give to that is first to define an investment. It seems to me that an investment is an amount of money put away so that it will be returned to you, preferably at a profit, at a time when it is most needed.

"I have had some experience with investments myself. Before 1929 I bought quite a number of the so-called blue chips and I bought them outright—stocks such as A. T. & T., Chesapeake & Ohio, Borden Company, U. S. Steel—all stocks which were supposed to be sound. I was told I was not gambling.

### Cash Values Give Better Return Than the Stocks

"At the same time, I bought life insurance—quite a considerable sum and today, at a time when it is possible that I may need the money, the life insurance cash values would give me a better return on the actual money deposited than the stocks. Despite the fact that I have paid for protection, and at that my values are not nearly as good proportionately as they will be in the future. And, mind you, I bought the stocks at prices the ordinary fellow would consider low prices as we look back at the 1929 market.

"What is your own experience with other forms of investment?"

"Have you your first savings bank account; your first securities; your first insurance policy? I have asked those questions to over 2,000 people now and about 25 have their first savings account and are keeping it up. About 15 have securities which are worth what they paid for them. But over 1,700 still own their first life insurance policies.

"It seems to me that when you think of an investment as an amount of money put aside so that it will be returned to you when it is most needed, life insurance stands pretty near AA1.

"I believe a man should make money

in his own business. I believe it is just as foolish for the doctor to think that he can be a banker as it is for the banker to think he can be a doctor. Each has been trained in his own field and will run his business most profitably if he sticks to that field.

"If he has any surplus money, he should put it somewhere where it will accumulate gradually, but with safety of principal being the prime consideration. I feel that I would rather have \$100 at no percent than 6 percent on nothing.

"Now, if you believe, as I do, that these things are true—that life insurance is a great investment, I believe that you, yourself, should turn to life insurance as an investment for yourself. Then, you will be able to sell it as such with conviction.

"I believe that this applies as well to home office men as it does to agents. I believe the underwriting departments would understand the field man's point of view better if they were adequately insured themselves.

### What Are Elements of A Good Insurance Man?

"What do you think are the elements that make a good insurance man?"

"I believe that character and sincerity of purpose are probably the outstanding things desirable for a life insurance man. Unless he sincerely believes in the business and what it will do for the prospect as well as himself, he will never click. Mental capacity is not the outstanding requirement. Sincerity of purpose and conviction in what he is doing seem to me to be the most important. Tenacity is needed.

"Have you ever tried to think ahead and predict changes in the life insurance business?"

"Yes, that's fun. Here are a few of my prophesies. The life insurance man ten years hence will have at least the standing of a C. P. A. for I believe the C. L. U. idea is sound and will take hold in a widespread fashion throughout the country. I believe that every state will require examinations for life insurance licenses.

"I believe rate books will be based on income whether a man lives or if he dies with some simple method of calculating premiums such as \$50 a month will buy \$100 a month income whether a man lives or whether he dies. I believe that our methods of merchandising are antiquated—that we must fall in line and offer the best simple understandable benefits in terms of needs. I think this is all actuarially possible.

"I feel that some system for a regular income for agents will be devised. For instance if the companies would say,

### Small Business Houses Make Good Prospects

Many agents overlook the smaller business enterprises and think of business insurance in connection with the larger concerns. The modest business is just as much in need of being assisted as the more pretentious one. Where there is a partnership there are very few cases where the family of the deceased desires to have the business on its hands. On the other hand, the partner or partners who survive want to continue the business above everything else. Therefore business insurance steps in to satisfy both sides. It does not mean that a family inheriting an interest in a business will get returns from it to any material degree. In fact, if cases were studied it would be found that there is nothing more liable to shrink than an interest in a business which a man personally looks after during his life.

"If you sell, say \$250,000, we will pay you a salary on the basis of \$10 per thousand. On last year's business of \$250,000 we will pay you a salary of \$2,500 plus renewals and give you a bonus at the end of the year on anything over and above this and reduce the salary should you not meet your quota within a certain length of time, say three months. I feel that one of the greatest difficulties an agent has is finding some way of budgeting himself and the time must come when some other method of compensation is devised than the one under which we are now operating. Of course I realize that any method will have to be the equivalent of the present method but in some other form.

"I feel that the field will demand institutional advertising in some form, such as radio, or in newspapers, or magazines. I do not believe that it is up to the home office to say whether they think this should be done. I believe that it is up to the field to demand this advertising. I feel that the home offices should realize that they hold their positions because of what we do and if we want something like national advertising, we should have it.

"I believe credit will be given for continuous good health on policies just as fire insurance companies reduce the premiums when the hazard is reduced. This can be achieved by periodic examinations and a reclassification of risks say every five years.

"I predict that there will be 50 times

## Quit Guessing

A Successful Business Deserves a Dependable Record

**THE DALLWIG RECORD** For Years the Recognized Standard Register for the Life Underwriter!

P. G. DALLWIG, Inc., No. 1 La Salle St., Chicago, Ill.

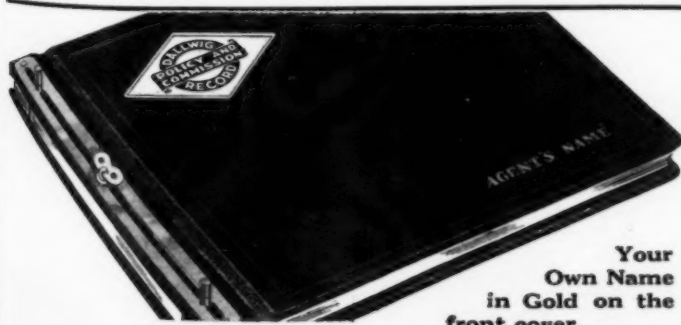
Please send pamphlet describing the DALLWIG RECORD together with price.

Name (Please print).....

Street.....

City..... State..... NU-3-16-32

"The Beginning of Definiteness Means the End of Confusion."  
—Clay Hamlin



Your Own Name in Gold on the front cover.

as many annuities and retirement plans sold as there are today.

"I predict there will be an attempt somewhere by the state to get into the life insurance business and they will fail in that attempt.

"I predict three hundred billion in force in 1942.

#### What Is Hardest Job of the General Agent

"What do you consider the hardest job of the general agent?"

"Keeping up the morale of the individual man—in keeping him straightened out with his finances and personal problems—added to these the constant personal supervision and getting a man to do a good day's work constantly over a long period of time, seem to me to be the hardest and most important jobs of the general agent.

"I often hear about full time men in the business. I don't believe there are any, or very few full time men. Nearly everyone is a part time man.

"Are you glad you are in the life insurance business at this time?"

"Yes! There is one institution—one enterprise that withstood it all and never faltered. The greatest financial institution in the world—life insurance!

"Despite all the raids for loans—despite every abnormal pressure—despite the constant pounding of every economic force known to man, the life companies have met every obligation and performed every service they promised without any policyholder losing one cent.

"We can realize why the people of this country, who lose faith in investments and fail to trust the banks, still have confidence in the life insurance companies of this nation. Am I glad I am in the life insurance business today? And how!

"You and I should thank our lucky stars that when, in the course of our business or social lives, someone says, 'What do you do?' you can say, 'I am a life insurance man.'"

#### Boyce Agency Continues Increase

As a climax to a successful month which culminated in \$1,840,000 of binder business secured in a 20-day testimonial to Agency Manager W. L. Boyce during the annual Boyce's Loyal Legion campaign, the Boyce Agency, Equitable of New York, at Syracuse, N. Y., closed the month in paid business showing a substantial increase over February, 1931, thereby still further increasing the margin established in January.

#### Tremendous Trifles That May Mar Man's Record

- The little lapsed policy.
- The first small policy loan.
- The small average-sized policy.
- The note settlement instead of "cash with app."
- The first week off C. W. P.
- The beginning of the "I'll get it next month" attitude.
- The "written but not paid" policy.
- The morning you haven't a shoe shine.
- The time you lose your temper.
- The day discouragement wins.
- The time a smile is forgotten.
- The time a courtesy is neglected.
- The note of appreciation that is not written.
- The daily report that is not made out.
- The name which should be circularized and is not.
- The reading in the trade journals which is not done.
- The lack of interest in your underwriters association.
- The failure to arouse your wife's interest in life insurance.
- The missing of club honors by a very small margin.
- The booklet you failed to enclose in your sales letter.—"Emancipator," Lincoln National.

## Business Insurance Pointers Given

Leon Gilbert Simon, New York City, Equitable Life of New York million dollar producer, spoke to the Syracuse Life Underwriters Association last week on business insurance.

"When selling insurance for the purpose of retiring a deceased partner's interest, always assume that the prospect being spoken to will be the survivor," said Mr. Simon. "If both or all parties are present, I have found it to be a very satisfactory method to ask them to assume that I am also a member of the firm and that 'when I die' so and so will happen.

"I always ask my client, after the sale is completed and the check cleared, what particular idea impelled him to purchase and in the majority of cases it is something I had not thought of at all but an idea of his own inspired during my canvass.

#### One Thing May Hinder Recouping of Loss

"During the sale of the largest case I ever wrote, which was on a business which depended almost entirely on the technical ability of the four members, the answer was that they had sustained serious losses and that as soon as these losses were recouped they would be interested. The point that sold the case was this: 'I have no doubt that through your accumulated intelligence you will recover all your loss except under the one condition that one of you shouldn't live long enough to exercise one's ability. Do you want to transmit the loss you have incurred to your families if you die before that time or would you have my company write off your entire interest at the former valuation instead of the present?'"

"Always sell the agreement that the

surviving partner will buy out the other's interest and then make it self-completing and automatic by the application of life insurance."

At the open forum the following questions were asked which Mr. Simon answered:

"Q. What do you do when one man is uninsurable?"

"A. The original sale was the agreement. Fortunately one member is able to make his part self-completing through life insurance and the only method for the other to adopt is to pay his premium into a trust fund to accumulate at interest."

"Q. How do you arrange premium payment when one man is much older than the other?"

"A. If two men are to get the same benefits, they should contribute to the same extent so the two premiums are added together and each pays half."

"Q. What do you recommend be done with the cash value of the policy on the survivor's life?"

"A. Inasmuch as he has gained by the transaction, the survivor agrees that the deceased's estate will receive all premiums paid on his life."

"Q. How do you sell high premium business?"

"A. I tell the prospect by securing a certain type of contract, we will provide this plan with the added feature of an emergency sinking fund which you may use at any time."

"Q. How do you secure the statement of a business?"

"A. In that, it is a matter of experience and trial and error. It is not what you say so much as it is how you say it that secures this personal information."

#### Income Indemnity Expands in Income Disability Field

(CONTINUED FROM PAGE 3)

but the second \$50 per week must have the 30-day waiting period.

The company's liability for total disability is aggregate, that is, it is liable under any one policy for a maximum total of 104 weeks or 65 weeks, as the policy provides, whether disability is continuous or occurs at widely separated times.

#### Other Provisions

The policy also provides that an additional 50 percent of the specified weekly indemnity will be paid for 15 weeks for hospital and nursing expenses; that 50 percent indemnity for a period not exceeding 26 weeks will be paid for each partial disability resulting from accident.

The policy includes the standard aviation and double indemnity clauses. No extra charge is made where premiums are paid quarterly but the weekly indemnity is increased 10 percent if the premium is paid annually.

#### Similar Situations Can Be Used to Good Advantage

Life insurance agents in studying their prospects often find it of great advantage to keep in mind conditions that are quite similar to those confronting the man being solicited. The prospect is greatly interested in what concerns himself and his home. Where an agent is talking about a situation and is telling the problems centering about a case that has many points in common with that of the prospect, interest is at once aroused. Therefore, if an agent keeps in his mind some cases he has closed illustrating situations that are liable to arise from time to time, he can use them to good advantage.

#### Form Strong Organization in San Francisco, Oakland

(CONTINUED FROM PAGE 3)

the preliminary activities, being a member of the Zeus-Cox committee.

#### Composition of Committee

The convention committee is made up of the following:

Executive—O. L. Zeus, chairman, A. S. Holman, Dr. E. L. Woodruff, B. F. Shapiro, San Francisco; T. A. Cox, chairman, L. G. Campbell, B. F. Edwards, Ed. Durrel, Oakland.

Finance—A. S. Holman, San Francisco; Val Flittner, Oakland.

Budget—Walter Robison, San Francisco; N. F. Clendenen, Oakland.

Invitations for special guests—K. L. Brackett, San Francisco; N. E. Munroe, Oakland.

Attendance and publicity—A. J. Hill, San Francisco; E. T. Engle, Oakland.

Reception—Otto Langpaap, San Francisco; J. J. Stegge, Oakland.

Entertainment—C. W. Peterson, San Francisco; C. L. Fowler, Oakland.

Hotel reservations—E. H. L. Gregory, San Francisco; W. L. Reauveau, Oakland.

Convention sessions, halls—P. G. Young, San Francisco.

Printing—W. G. Eader, San Francisco; B. F. Edwards, Oakland.

Badges (local)—J. A. Sullivan, San Francisco.

Registration—D. E. Mooney, San Francisco; A. T. Dowse, Oakland.

Information bureau—Arthur Hutchinson, San Francisco; N. D. Courtwright, Oakland.

Transportation—M. L. Fairchild, San Francisco; W. J. Heyden, Oakland.

Golf—P. M. Jost, San Francisco; Ray Carter, Oakland.

Ladies—Mrs. Leila Leitner, San Francisco; Mrs. Gladys Leggett, Oakland.

General agents and managers—A. W. Carne, San Francisco.

Banks—R. L. Stephenson, San Francisco; W. A. Hewitt, Oakland.

Press—A. J. Hill, San Francisco; W. A. MacDonald, Oakland.

Dance—E. A. Kelloway, San Francisco; C. A. Moore, Oakland.

Exhibits—L. F. Rice, San Francisco; W. T. Rutherford, Oakland.

## Start Bonus Plan for Conservation

(CONTINUED FROM PAGE 3)

new disability clauses, which are reviewed elsewhere in this issue.

W. F. Grantges, agency director, who was the convention chairman, announced a sales plan for the new G. P. R. pension bonds. This is an income endowment providing for life income, ten years certain, beginning at age 55, 60 or 65. Each unit provides \$1,000 of life insurance and a \$10 a month life income. It is a guaranteed premium reduction policy, a substantial reduction in premium at the end of the first year being granted. The new policies become participating after the tenth year.

#### Dr. Cook on Program

Dr. H. W. Cook, vice-president and medical director, presented a financial program for a doctor whose income is the average as shown in a survey by the American Medical Association. He recently presented this program to the Peoria Life Underwriters Association and physicians of Peoria in joint meetings. To go with this, Mr. Grantges presented a new direct mail letter with which will be enclosed a copy of Dr. Cook's Peoria talk to be sent to lists of doctors. Blank charts will be provided to agents to follow up this letter and outline a program for the individual doctors.

A discussion by Mr. Grantges and S. J. Evarts, associate manager of the White & Odell Agency, of the "Power Battalion" was an interesting feature. In the "Power Battalion" are agents who turn in reports of their activities weekly showing number of calls and interviews and giving information about those on whom they called. Mr. Grantges announced a compilation of the first five weeks of the Power Battalion which shows 24,205 calls and 14,607 interviews.

Dr. Cook was toastmaster at the banquet. "The Sun Is Rising" was the subject of H. G. Hewitt, manager of the Texas state agency. President O. J. Arnold presented the leaders in the convention contest, with gifts signifying their leadership. E. C. Henkel of Minneapolis responded.

The final address was by F. J. Seibel of Grand Rapids, Mich.

#### How an Agent Was Able to Close an Obstinate Prospect

The New York Life relates an incident where one of its men was able to close a \$10,000 case on a particularly obstinate prospect. The man was one of the worst types encountered because he would sit back and say nothing. He would never raise an objection and never assent to anything. The agent had tried him a number of times and endeavored to get his interest.

Finally he went into the man's office and said, "Did you ever receive one of these?" He handed him one of the forms used by his company for notifying an applicant that he had been declined. The man immediately came to life and replied, "No, why do you ask me?" The agent countered him by saying that he couldn't think of any other reason for his continued refusal to apply for life insurance. This started the ball rolling and the man yielded. He allowed the doctor to look him over. The prospect admitted that it was really the shock of reading the declination notice and the thought of what might have happened to him that made him take the insurance. Nobody wants to be turned down by a life company.

"Meeting Objections," by John A. Stevenson, gives the answers to a large majority of the many objections which the prospect raises, and shows how to convert these objections into selling arguments. Price, \$1.50. Order from The National Underwriter.